REPORT ON THE UNITED NATIONS SEMINAR ON ASSISTANCE TO THE PALESTINIAN PEOPLE

PAPERS AND STATEMENTS

HEADQUARTERS OF THE UNITED NATIONS EDUCATIONAL,
SCIENTIFIC AND CULTURAL ORGANIZATION,
PARIS, 26-29 APRIL 1993

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UNITED NATIONS
NEW YORK, NOVEMBER 1993

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INTRODUCTION

The General Assembly, at its forty-seventh session, in resolution 47/170 of 22 December 1992, recognized the need for convening a seminar on assistance to the Palestinian people and suggested to the Committee on the Exercise of the Inalienable Rights of the Palestinian People that it consider convening such a seminar.

In accordance with its mandate as reaffirmed by the General Assembly in resolution 47/64 A of 11 December 1992, and keeping in mind its ongoing concern with mobilizing international assistance to promote the independent development of the occupied Palestinian territory, including Jerusalem, the Committee decided to convene the Seminar as part of its programme of work for 1993.

The United Nations Seminar on Assistance to the Palestinian People was held from 26 to 29 April 1993, at the Headquarters of the United Nations Educational, Scientific and Cultural Organization (UNESCO) in Paris.

The Committee on the Exercise of the Inalienable Rights of the Palestinian People was represented by a delegation comprising H.E. Mr. Kéba Birane Cissé (Senegal), Chairman of the Committee; H.E. Mr. Alcibiades J. Hidalgo Basulto (Cuba), Vice-Chairman; H.E. Mr. Victor Camilleri (Malta), Vice-Chairman and Rapporteur; and Mr. Nasser Al-Kidwa (Palestine).

At the opening session, a statement was made on behalf of the Director-General of UNESCO, by Mr. K. Nhouyvanisvong, Assistant Director-General. A message from the Secretary-General of the United Nations was read by Mr. Hassen M. Fodha, the Director of the United Nations Information Centre in Paris. Statements were also made by H.E. Mr. Kéba Birane Cissé, Chairman of the Committee on the Exercise of the Inalienable Rights of the Palestinian People and by Mr. Ahmed Abu Ala, Director-General of the Department of Economic Affairs and Planning of the Palestine Liberation Organization.

The Seminar was chaired by Mr. Kéba Birane Cissé (Senegal). H.E. Mr. Alcibiades J. Hidalgo Basulto (Cuba) served as Vice-Chairman. H.E. Mr. Victor Camilleri (Malta) served as Vice-Chairman and Rapporteur.

The purpose of the Seminar was to provide a framework to different sectors of the international community for an exchange of views, expertise and experience on various aspects of assistance to the Palestinian people in the occupied Palestinian territory.

In the plenary sessions and in the course of the subsequent discussions, the participants addressed the following general themes:

Assistance to the Palestinian people - priorities and needs

(a) Programme for development of the Palestinian national economy for the years 1994-2000
(b) The present situation in the occupied Palestinian territory

The role and experience of the United Nations system

The role and experience of regional organizations

The role and experience of countries involved in assistance projects in the occupied Palestinian territory

The role and experience of Palestinian and international non-governmental organizations.

At the request of the Chairman of the Committee, an abbreviated version of the report was circulated as a document of both the General Assembly and ECOSOC (A/48/168-E/1993/62), issued on 14 May 1993.

I. OPENING STATEMENTS

Mr. K. Nhouyvanisvong, Assistant Director-General a.i. for External Relations of UNESCO, on behalf of the Director-General of UNESCO

On the occasion of the United Nations Seminar on Assistance to the Palestinian People, the Director-General, Mr. Federico Mayor, who so much wanted to be with you himself, has asked me to convey his warmest wishes to you.

It is thus on his behalf that I have the pleasure of welcoming you to UNESCO headquarters and to tell you how honoured I am to participate and to meet the eminent personalities who have responded to the appeal made by Mr. Kéba Birane Cissé, Chairman of the Committee on the Exercise of the Inalienable Rights of the Palestinian People, by coming to demonstrate their interest in this Seminar.

Despite the difficulties experienced, the expressed will of all the protagonists to bring the Middle East peace process to a successful conclusion raises immense hopes throughout the world.

It is in fact in sharing in this hope that the United Nations system annually celebrates the International Day of Solidarity with the Palestinian People.

In the face of the tragic fate which the Palestinian people has experience over the last 40 years, our Organization has always sought to contribute, within the limits of its means, to the solution of the problems confronting the Palestinian people in the areas of education and culture.

For more than 30 years now, UNESCO has been closely associated with education for Palestinian children within the framework of the assistance provided by the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), both in the occupied territories and in the camps situated in the neighbouring countries.

Our Organization is also trying to help the Palestinian populations to benefit from an education consistent with their aspirations and reflecting their cultural identity.

Hence UNESCO has always attached particular importance to respect for academic freedoms, and especially to the functioning of the universities situated in the occupied territories.

The conservation and protection of the Palestinian cultural heritage, and particularly that of the old city of Jerusalem, are receiving special attention from UNESCO.

The greatest efforts have been made to ensure the implementation of the resolutions adopted by the General Conference since its fifteenth session, as well as the decisions of the Executive Board concerning the safeguarding of this cultural and spiritual heritage of mankind. Accordingly, UNESCO is contributing in particular, in cooperation with the Arab League Educational, Cultural and Scientific Organization (ALESCO), to the preparation of an inventory of the Palestinian people's historical and cultural heritage and to the training of experts capable of ensuring the preservation of the Arab manuscripts in Jerusalem.

May this thrice-holy city one day become the symbol of reconciliation among all peoples of the region.

While untiring efforts are being pursued in the political sphere, the economic aspect is in the process of developing rapidly at the level of relations between the international financial institutions and the Palestinians. The results of the visit by a World Bank delegation to the West Bank and the Gaza Strip were apparently encouraging, particularly in the economic and social fields.

After decades of tragic divisions, as we near the third millennium, the peoples of the region, and the Palestinian people in particular, are aspiring to leave future generations a legacy of peace and cooperation in a context of respect for everyone's rights. Never before have all the parties been so unanimous in recognizing that, without an adequate solution to the Palestinian problem, peace will remain an inaccessible dream.

Pending this so earnestly desired solution, UNESCO undertakes to work in its areas of competence, by all the means available to it within the United Nations family, to ensure that the Palestinian people continues to benefit from the solidarity of the international community.

Message from H.E. Mr. Boutros-Boutros Ghali, Secretary-General, delivered by Mr. Hassen F. Fodha, Director of the United Nations Information Centre, Paris

I have the honour to convey to you the greetings of His Excellency Mr. Boutros Boutros-Ghali, Secretary-General of the United Nations, and to deliver the following message on his behalf.

The convening of this Seminar on Assistance to the Palestinian People by the Committee on the Exercise of the Inalienable Rights of the Palestinian People, in pursuance of General Assembly resolution 47/170, is a welcome initiative. It demonstrates once again the importance which the States Members of the United Nations attach to the question of Palestine, and their desire to make a concrete and effective contribution to a just and lasting solution of this issue.

It has long been held that the search for a comprehensive, just and lasting settlement in the Middle East should be accompanied by an effective role by the international community in promoting economic and social development in the occupied Palestinian territories. Since the late 1970s, the United Nations system has endeavoured to develop an assistance programme aimed at improving the economic and social conditions of Palestinian people, in consultation and cooperation with the Palestine Liberation Organization. Operational activities were launched in the occupied territories in 1980; since then the United Nations Development Programme as well as UNRWA and UNICEF, the specialized agencies and other organizations of the United Nations system, have intensified their efforts in this regard, as detailed in the annual reports by the Secretary-General to the General Assembly.

The programme of assistance has become all the more important in the light of the Palestinian intifadah, which began in December 1987. The disruption of economic and social life in the occupied territories due to the imposition of restrictive measures by the Israeli authorities and the greatly increased humanitarian needs, requiring an emergency response, have placed heavy demands on the United Nations system. More recent developments in the region, in particular, the Gulf War and its aftermath, have had a devastating impact on Palestinian economic activity. While the United Nations programmes have expanded in an effort to accommodate these new circumstances, far more is required. A concerted effort by the international community, including the United Nations, regional organizations, donor countries and NGOs, is essential in order to help resuscitate the economy of the occupied territories. Urgent needs are evident in all sectors, both in terms of policy guidance and operational assistance. Well-conceived and clearly-targeted action, if undertaken swiftly, could stem further economic decline and social fragmentation and lay the basis for the recovery and sustainable growth of the Palestinian economy.

The peace process, which was launched at Madrid more than a year ago, has been welcomed throughout the world. It has given rise to hope everywhere that decisive progress can at last be made towards finding a solution to this long and tragic conflict. This process has received the support of the parties concerned and is taking place within the framework of the United Nations Security Council resolutions 242 (1967) and 338 (1973). Despite the obstacles and delays which have occurred, the negotiations have shown that a substantive dialogue between the parties is possible, and the international community is duty-bound to do its utmost to facilitate this process. For its part, the United Nations stands ready to help the participants to formulate and conclude a just, lasting and comprehensive peace in the region. The Secretary-General is pleased that the United Nations has been invited to participate fully in the multilateral peace negotiations on the Middle East. He has named Mr. Chinmaya R. Gharekhan as his Special Representative, to coordinate United Nations involvement within the working groups dealing with regional issues such as refugees, arms control and regional security, the environment, water resources, and economic development.

In the meantime, it is of utmost importance to ensure the immediate amelioration of the economic conditions in the occupied territories and to lay the foundations for a just and peaceful future. The presence at this Seminar of representatives of donor countries, regional organizations, United Nations bodies and agencies already involved in projects in the occupied Palestinian territories, and non-governmental organizations active in the field, as well as Palestinian, Israeli and other experts is impressive. It is to be hoped that your discussions will make a constructive contribution in this regard.

In conclusion, the Secretary-General has asked me to express his appreciation for the tireless efforts of the Committee on the Exercise of the Inalienable Rights of the Palestinian People and to convey his full support to the Committee in its activities aimed at promoting a better understanding of this question and mobilizing concrete international support for the Palestinian people.

On behalf of the Secretary-General, I wish all the participants success in their deliberations during this important Seminar.

H.E. Mr. Kéba Birane Cissé, Chairman of the Committee of the Exercise of the Inalienable Rights of the Palestinian People

It is an honour for me to address this important Seminar on behalf of the Committee on the Exercise of the Inalienable Rights of the Palestinian People of the United Nations. I would like first of all to thank the United Nations Educational, Scientific and Cultural Organization, its Director-General, Mr. Federico Mayor, and its staff for hosting the meeting and for their close cooperation with the Committee and the United Nations Secretariat in preparing this event. I would also like to convey to all the participants in this meeting the Committee's high appreciation of the continuing efforts of Governments, United Nations bodies and agencies, and international and non-governmental organizations (NGOs) in providing the much-needed economic, humanitarian, and technical assistance to the Palestinian people living under occupation.

The significance of international assistance in meeting the economic and social development needs of nations and peoples, which experience day-to-day hardships and dispossession, cannot be overemphasized. It is particularly true now, at a time of dramatic change in the world, during a period marked by events of monumental proportions likely to affect the lives and destinies of entire populations for years to come. Only a few years ago, weary of old enmities, mistrust, and confrontation, we seemed to have entered a period of hope and enhanced expectations as reason, international understanding and cooperation appeared to have been gradually setting in. Unfortunately, today we are witnessing yet another wave of regional and sub-regional tensions and open hostilities disturbing peace and stability, and causing death and destruction.

In the Middle East, the unresolved Arab-Israeli conflict and its central and longest-running source of frustration and suffering, the question of Palestine, have posed a major threat to peace since 1948. For so many years, the international community and individual parties have been trying to cut the Gordian knot of this conflict and to bring peace to the region. So far all those endeavours have been unsuccessful. But the persistent quest continues and at the centre of it is the plight and the future of the Palestinian people.

Our Seminar is taking place at a very sensitive and, perhaps, pivotal period for the Middle East and the Palestinian people living under occupation. For the past 15 months, we have been closely watching the unfolding of a process, which began at Madrid in 1991 and which involved all the parties concerned. High hopes were attached to the subsequent rounds of bilateral, Arab-Israeli, and multilateral negotiations on Middle East regional issues. It should be stressed in this connection that, while those negotiations are taking place outside the framework of the United Nations, they are based on Security Council resolutions 242 (1967) and 338 (1973), long recognized as the cornerstones of a comprehensive settlement of the Arab-Israeli conflict.

Since that time, the General Assembly has welcomed the convening of the Middle East peace conference at Madrid as a significant step towards the establishment of a comprehensive, just and lasting peace in the region. The Secretary-General has indicated that the United Nations is ready to assist the parties in their quest for peace. He has appointed his Special Representative to the multilateral negotiations on Middle East regional issues.

In its report to the last session of the General Assembly our Committee welcomed these developments, expressing the hope that in the future the role of the United Nations in the peace process would be generally intensified.

The Madrid process is very difficult and fragile, involving many sensitivities and age-old suspicions. The gradual emergence of a constructive and interactive negotiating environment was, no doubt, a significant step forward. Regrettably, the negotiations have not so far yielded any tangible agreements. The increased violence and tension in Israel and the occupied territory, and the increasingly drastic measures taken by the occupying Power, including the recent closure of the territory and new barriers to employment in Israel, are matters of the greatest concern.

In the present situation, pending a sound political agreement, it is of the greatest importance for the international community to promote the safety and protection of Palestinian civilians living under occupation, and provide a coordinated and adequate economic and social assistance to them. The endeavours of various parties aimed at bringing about a negotiated settlement of the question of Palestine should be accompanied by a major effort to provide such assistance so as to heal the critical state of the various sectors of the Palestinian economy and to stem the rapid deterioration of the living conditions of the Palestinians under occupation.

Over time, the economic and social conditions of the Palestinian society under occupation have been lowered, in many cases, to subsistence level. Recent developments in the economic life of the occupied Palestinian territory continue to reflect and underscore the overall impact of the stifling conditions in which the economy has been operating. The many restrictive measures introduced by the Israeli authorities have had a cumulative long-term effect on the economic activity and livelihood of the Palestinians under occupation. Collective punishments, including prolonged periods of curfew and the periodic sealing-off of the occupied territory, the demolition of houses and other property, the bulldozing of thousands of productive olive trees and the destruction of crops, the diversion of water resources to Israeli use and the confiscation of vast areas of Palestinian land, construction of Israeli settlements and the restriction of utility services and financial transactions, have put in jeopardy the very existence of the Palestinians. This situation has been exacerbated by the closing of schools, universities, businesses and welfare organizations, deportations of Palestinian civilians, administrative detentions, and, most tragically, increased loss of life.

Since before the intifadah, the Palestinian popular uprising in the occupied territory, Israel had been implementing a policy which over the years had made the Palestinian economy highly dependent on and inferior to its own. International economic assistance is required not only to ameliorate conditions but also and primarily in order to promote the independent development of the occupied territory. This need has become more obvious and acute since the beginning of the intifadah. Its effect on the Palestinian society and the reaction to it by the Israeli authorities have increasingly stifled the Palestinian economy. Shortly after the intifadah began, the Secretary-General, in a report to the Security Council, commented on the squalid living conditions of the Palestinians living in the refugee camps, as well as the Palestinian complaints about the deliberate Israeli policy to obstruct the economic development of the territory. Moreover, the adverse effects of the Gulf war have resulted in a further deterioration of the economic situation in the occupied territory. Despite heroic efforts by the Palestinian people to develop self-reliant institutions, the overall economic and social situation in the occupied territory has continued to deteriorate. Israeli measures, coupled with the recent increased political and economic isolation of the occupied Palestinian territory, have considerably inhibited Palestinian economic development initiatives. This has been especially marked in the most disadvantaged areas of the territory, such as remote rural regions of the West Bank and throughout the Gaza Strip.

Despite the difficulties and obstacles in implementing assistance programmes in the occupied Palestinian territory, the international community has been committed to and closely involved in this important undertaking for a number of years. Since the beginning of the occupation in 1967, bodies and agencies of the United Nations system have been providing assistance to the Palestinian people in the occupied territory. Many countries and regional and non-governmental organizations have also made a significant contribution. Over the years, particular needs of the Palestinians have been identified and projects and programmes have been mounted where it appears to be most appropriate and urgent.

As a General Assembly organ the mandate of which is primarily political, the Committee on the Exercise of the Inalienable Rights of the Palestinian People of the United Nations, since the time of its inception in 1975, has been concerned with the various political developments affecting the situation in the occupied Palestinian territory, including the living conditions of the Palestinians under occupation and the state of the economy. In its "Programme of Action for the Achievement of Palestinian Rights", the International Conference on the Question of Palestine, organized by the Committee in 1983, and held at Geneva, recommended, inter alia, a set of specific proposals with a view to improving the economic situation in the occupied territory and alleviating the plight of the Palestinians under occupation. For several years now, the Committee's programme of work has included seminars, and NGO symposia and meetings on the question of Palestine. Participants in these events, held in the various regions, have been focusing their attention on the specifics of political and human rights situation in the occupied Palestinian territory. Also addressed at these meetings were economic, and socio-cultural dimensions of the problem.

The Committee has repeatedly pointed out that vital interests of all the peoples of the Middle East, as well as the interests of international peace and security, dictate the need for the speediest resolution of the Arab-Israeli conflict. Although the Arab-Israeli conflict is multidimensional, it is the rapidly worsening living conditions, daily sufferings of and injustice imposed upon the Palestinian people forced to live under occupation, that constitute the core of the problem. Today, it is universally acknowledged that peace in the region is virtually impossible without a just solution to the question of Palestine. In these circumstances, the Committee considers it imperative for the international community to intervene in a major way so as to help the Palestinians living under occupation to improve their living conditions, and to build and develop their economy.

Various forms of assistance, including development assistance, may acquire even greater importance and urgency now in the context of the Madrid process and in the light of the ideas exchanged between the Israeli and Palestinian negotiating teams. We are of the view that a sustainable structure of institutions for the proposed interim self-government period, currently under discussion, could be contoured already now using the expertise available within the United Nations system, other intergovernmental organizations, donor countries, which have been active in the region for a long period of time, and relief and aid agencies. This is precisely why today, in the anticipation of a full-fledged Palestinian statehood, thorough consideration has to be given to the nature, structure, and time-tables of economic development and other assistance programmes the international community might envisage or embark upon.

In conclusion, I would like to say that, the United Nations Committee on the Exercise of the Inalienable Rights of the Palestinian People considers this Seminar an important new element in its programme of activities. The Committee also appreciates the readiness on the part of the donor countries, delegations accredited here in Paris, experts, and organizations and agencies to participate in this United Nations meeting. I am sure that all of you through constructive debates, 'comparing notes', exchanging views, sharing expertise and experiences, will make a meaningful and positive contribution towards alleviating the suffering of the Palestinian people, bettering its living conditions, and helping the Palestinians lay the economic foundations of a future independent Palestinian State.

Allow me, on behalf of the Committee, to wish you every success in your deliberations.

Mr. Ahmed Abu Ala, Director General
Department of Economic Affairs and Planning
of the Palestine Liberation Organization

I have the honour of participating on behalf of the State of Palestine in this important meeting being held in response to General Assembly resolution 47/170 of 22 December 1992 and of transmitting to you and to all the countries, institutions, agencies and organizations that you represent the salutations and appreciation of President Yasser Arafat and the Palestinian leadership for the generous efforts you are making for our people and for its just cause. It also gives me pleasure to convey our gratitude to the Secretary-General of the United Nations, to the Chairman of the Committee on the Exercise of the Inalienable Rights of the Palestinian People for the excellent preparation for this Seminar, to the Director-General of UNESCO for the facilities made available and to the Division for Palestinian Rights of the United Nations Secretariat.

The holding of this Seminar at this critical stage at which the Middle East region in general and the question of Palestine in particular find themselves gives authentic expression to the concern of the international community and of the United Nations and its subsidiary organs to achieve a just and comprehensive peace that will guarantee the security and stability of the Middle East region and secure for our people its right to exercise self-determination and establish an independent State on its national soil in accordance with the resolutions of the United Nations. It is also an expression of awareness of and concern at the scale of the suffering being endured by the Palestinian people and the embodiment of a firm desire to increase the level and effectiveness of the assistance provided to it, whether urgent interim assistance or future-oriented assistance, in keeping with its priorities and needs and with its economic plans and programmes.

You are aware of the grave deterioration in the economic and social conditions of our people as a result of the Israeli occupation and the increasingly oppressive and barbaric policies and practices of Israel with its grave and constant violations of the principles of international law and international humanitarian law, including the fourth Geneva Convention, in accordance with a policy that is planned and designed to restrict the means of livelihood available to our people, to bring about its forced migration and to clear the Palestinian territory of its inhabitants and consolidate the Israeli grip on it as a preliminary to its annexation, just as it did in an invalid act of aggression in occupied Jerusalem and the occupied Golan.

The most conspicuous problem our Palestinian people is facing at the economic level, and one we are confident will receive a large measure of your attention, is that of stimulating and increasing assistance from the international community and coordinating such assistance for the purpose of absorbing the greatest possible numbers in the Palestinian work force by reviving support for construction and housing activity, by stimulating the production sectors in accordance with the Palestinian programmes and plans and in coordination with the Palestine Liberation Organization (PLO), the sole legitimate representative of the Palestinian people, and by bringing pressure to bear on the occupying Power to eliminate the restrictions and impediments on the flow of assistance and on development projects.

I cannot fail to record our gratitude and appreciation to the United Nations and its subsidiary institutions and organizations, to all the countries and peoples, to the regional agencies and funds and to the governmental and non-governmental organizations which have provided and are continuing to provide assistance to our people in its occupied homeland and in the dispersion. Our people shall never forget the helping hands stretched out to assist it in extricating itself from its plight and in reconstructing its economy.

The commitments made by Palestinians abroad and the assistance provided by Arab Governments and peoples constitute the main source of the aid received by our people at home and in the dispersion. Such aid has long had a great impact in providing support to the steadfast position of the Palestinian people in its homeland in the past. The Gulf crisis, however, has had far-reaching and devastating effects on Arab assistance and on remittances from Palestinians working in the Gulf. Furthermore, it is no secret that the PLO is in straitened financial circumstances that have forced it to cut back even on its humanitarian services to the people and to the families of the fallen, the wounded and those who have suffered damage, and on its commitments to national institutions in occupied Palestine. This has come to jeopardize the entire situation, and it may have destructive consequences even for the ongoing peace process.

The volume of assistance received from the industrialized countries has increased, particularly with the onset of the intifadah in 1987. The European Community and its member countries represent the major source of such assistance, both in terms of that provided through international agencies such as UNRWA or that provided directly to Palestinian national institutions. There is also its important decision that Palestinian exports should have access to the markets of the countries of the Community and should be entitled to preferences and to exemption from duties. The emergency assistance approved by the European Community last year was in the order of 60 million European Currency Units, and it was disbursed directly to the Housing Council, credit institutions and certain other national institutions. In addition, the annual budget approved for the occupied Palestinian territory has an important and extremely useful impact.

The countries of Scandinavia and the European Free Trade Association (EFTA) group are among those that provide assistance to our people, particularly in the humanitarian field, and they made the important decision last year to grant trade preferences to Palestinian products in their markets. Our people receives assistance from many other industrialized countries, such as the United States, Japan, Canada and others, through United Nations agencies or non-governmental organizations (NGOs).

Although we appreciate the assistance provided to our people by the industrialized countries, we feel no constraint in calling for its increase and its coordination with us so as to accord with programmes and plans that contribute to sustainable development. The assistance provided by such major industrialized countries as the United States, Japan and Germany is certainly not commensurate with their economic weight, with the scale of their international responsibilities or with our aspirations.

We were pleased by the fact that the United Nations participated in the most recent round of the multilateral negotiations, and we hope it will have a more active part to play in future rounds and that its role will be expanded to include the steering committee and the bilateral negotiations. As you will recall, in 1989 the Secretary-General of the United Nations appointed a Special Adviser on economic development in the occupied territories. However, his assignment was frustrated by the refusal of the occupation authorities to respond positively. You may perhaps wish to study this matter and to formulate a recommendation in this regard.

We are not here concerned with reviewing the details of the association of the United Nations with the question of Palestine and the Palestinian people, including its role in the economic field, from the adoption of General Assembly resolutions 181 (II) and 194 (III) to the adoption of its resolution 47/170 under the terms of which we are meeting here today, or with the support, studies, reports and recommendations that the Organization and its specialized agencies have produced and which will, we hope, find their way to the realm of practical implementation.

UNRWA is in the forefront of those United Nations agencies that provide humanitarian assistance to the Palestinian people. This is not strange, since its work is dedicated entirely to providing assistance to Palestinians who have been refugees since 1948 and those displaced in 1967 and to ensuring their basic minimum requirements for food, shelter and education, health, training and other services. It performs its task in a worthy and effective manner in extremely difficult circumstances in the occupied territory and elsewhere. We urge States and other donors to make increased contributions to UNRWA so that it may overcome its financial deficit and improve its services.

The assistance provided by the United Nations Development Programme is limited despite the fact that it is the only United Nations development agency permitted to operate in occupied Palestine, where it maintains an office in occupied Jerusalem. Despite the nature of its work and despite our agreement with it on the implementation of production projects in accordance with an agreed programme, most of the programmes we have identified each year still await implementation. There is no doubt that the occupation authorities impede the Programme's work, but UNDP itself has yet to agree to come to grips with the obstacles in the same manner as UNRWA and certain donor countries, and this has opened the Programme to criticism. The situation is further complicated by the fact that the occupation authorities are still preventing most of the United Nations specialized agencies from entering the occupied Palestinian territory and insist that they can only do so under the umbrella of UNDP. We look forward to an increase in the assistance allocated by UNDP to our people and to more consistent coordination with the PLO, which is the sole legitimate representative of the Palestinian people and is capable of channelling such assistance to accord with Palestinian objectives and plans. We look forward to cooperation from UNDP that is more positive and better coordinated with us so that its work may be useful.

Our people receives assistance from a number of specialized agencies and other bodies of the United Nations system such as UNICEF, the United Nations Fund for Population Activities, the World Health Organization, UNESCO, the International Labour Organisation, UNIDO, Habitat, the World Food Programme, the Food and Agriculture Organization of the United Nations, ESCWA and UNCTAD. UNCTAD has published a series of important and extremely useful studies prepared by its Special Economic Unit (Palestinian People), and we should like to urge organizations such as FAO, UNIDO and others to establish special units for Palestine just as UNCTAD has done.

Our people also receives assistance from a number of member countries of the Group of 77, from the Movement of Non-Aligned Countries, to which we belong, from Arab and Islamic funding institutions, from the People's Republic of China and from a number of Islamic countries as well as from a large number of European, Canadian, American and Scandinavian NGOs.

While we place a high value on all of the assistance that has been provided and continues to be provided to our people, we believe that you share our view that this assistance, to say the least, lacks coordination and is not free of duplication. The occupation authorities have played a major role in channelling most of it away from the production and development sectors. Some parties have, unfortunately, collaborated with the occupation authorities as if they were sovereign authorities, and their activities have had a political character that is incompatible with the aspirations of the Palestinian people.

The urgent and pressing interim assistance for which our people looks to the international community and which it deserves is very great. The future-oriented assistance required by plans and programmes for sustainable development in occupied Palestine are also very great, particularly since you are all aware of the scale of the suffering and the harshness of the circumstances of our people and the extent of the damage done to its economy.

It is not natural or logical and it is not in keeping with the morality of the present age that eyes should remain closed to the needs of our people at a time when we are waging the battle for peace in the cruellest and most difficult circumstances while unlimited assistance and loans flow constantly to Israel.

We are living in a new phase of history and in a time of far-reaching worldwide changes of the utmost importance that herald a new international order in which we hope the United Nations and its organizations will have a fundamental, directing and decisive role, an order that will respect the right of peoples to self-determination, their right to choose their own forms of government, their right to enjoy freedom and democracy and their right to exploit their resources and acquire the necessary attributes for sustainable economic and social development as a contribution to the achievement of just and comprehensive peace in all parts of the world and in our region.

Our Palestinian people, which understands this fact, which has chosen peace for strategic and not for tactical considerations, and which has enlisted in the peace process that began at Madrid despite its unjust terms, looks to you, to your Governments and to your peoples, to provide generous assistance to support our people, its institutions and its programmes and plans as a form of support for the efforts for the comprehensive peace to which we aspire and for which we are struggling.

Allow me to present to you our conception of the nature and scale of the urgent interim assistance and future-oriented assistance that our people seeks and which it richly deserves because of its steadfastness, its struggle and its desire for peace and battle to achieve it, so that it may not be overcome by frustration and the peace process be placed in such jeopardy that anarchy and violence will reign and have adverse repercussions for us and for all of you.

A. Urgent and pressing interim assistance

In order to save the deteriorating situation in the occupied Palestinian territory, there has come to be a pressing need for the international community and its major economic Powers to commit themselves to generous and urgent assistance, in a coordinated, systematic and well-considered framework, to cover the following fields through the channels indicated.

1. Pressure should be brought on Israel to compel it to respect the human rights of the Palestinians, to apply the Fourth Geneva Convention in the occupied Palestinian territory, to annul all of the military orders and restrictions it has imposed on our people and to accord the Palestinians their right to engage in economic decision-making so as to exercise control of their land and its natural resources and of their management and development in accordance with their interests and to build their national institutions.

2. Immediate relief assistance such as foodstuffs, medicine and clothing should be provided, and there should be support for small-scale income-generating projects and the creation of opportunities for employment and work, principally through UNRWA, which has demonstrated its efficacy under its established mandate in the fields of relief, health, education and the employment of Palestine refugees within the occupied Palestinian territory and outside.

The commitments undertaken by UNRWA, which have continued to receive the attention and support of your countries, deserve to be accorded greater attention at the present stage and the shortfall in its budget should be met.

3. There should be a commitment to cover the monthly expenditures of the families of the fallen, of prisoners, of the wounded and of those who have suffered damage inside the occupied Palestinian territory and elsewhere, directly through the Foundation for Social Affairs and the Welfare of the Families of the Fallen.

It should be understood that the monthly budget incurred by the Foundation is $5 million ($60 million a year). Its total accumulated deficit is in the order of $62 million, and it has come to constitute an extremely pressing problem for us.

4. There should be a commitment to assist in the payment of the operating expenses of the Palestinian national institutions, which have become incapable of performing their functions. We hope that this problem will find its way to a solution on an exceptional basis, despite the fact that the laws and statutes of some countries prevent them from providing assistance to cover operating costs, especially since these are basic institutions in Palestinian society and provide employment on a large scale in addition to basic services such as:

Universities and schools;
Hospitals;
Municipalities and municipal services;
Chambers of commerce and industry;
Charitable societies;
Cooperative associations;
Trade unions and professional associations;
Planning councils;
Research centres;
Technical committees.

The annual requirements of such services amount to a minimum of $140 million over and above the accumulated deficit.

5. Assistance should be provided to economic and social development projects and concessionary loans made available by international institutions for infrastructure projects in accordance with the Palestinian development programmes and plans prepared by the Economic Affairs and Planning Department of the PLO.

The driving force of the Palestinian economy at present stage and in the coming stage is represented by:

- The immediate establishment of the Palestine Development Bank;
- The construction of the Gaza commercial port;
- The construction of the cement factory;
- The establishment of industrial zones and cities equipped with all the necessary infrastructure for the implementation of investment activities in the industrial field;
- Support for agricultural projects;
- Development of educational curricula, and support for the establishment of technical colleges and polytechnics;
- Establishment of a college of public administration for the training and preparation of decision makers in all sectors.

B. Future-oriented assistance

We realize that sustainable economic development cannot be achieved under occupation. As long as our people does not have its full right to political and economic self-determination and as long as it does not have its full right to complete control over its territory and its resources and over economic decision-making, there can be no sound economic development contributing to the achievement of a just and comprehensive peace.

This afternoon Mr. Yusuf al-Sayigh will speak to you on the economic and social development programme for the coming stage, in his capacity of chief and coordinator of the work of the senior team that prepared the programme, and as the person responsible for its formulation. In this statement, I shall content myself with indicating that the requirements of the programme amount to $11.6 billion, that is to say some $1,664 million a year. Mr. al-Sayigh will speak on the components, objectives and requirements of the programme.

Development in occupied Palestine has pressing needs. Most of its requirements are available and possible subject to the end of the occupation and the achievement of the inalienable right of the Palestinian people to exercise sovereignty over its territory and its resources. This can only be achieved under a comprehensive, just and durable peace whose permanent character derives from a sustainable development for which the necessary resources are mobilized. Peace is a basic precondition for development, an important and fundamental factor for its success and the achievement of its goals and its assured guarantee.

The development process in occupied Palestine will be an arduous, difficult and complex process, despite the presence of many of its basic preconditions and components, in view of the peculiar character of the Palestinian situation and the distortions in the economic and social structure that have been brought about by the protracted occupation.

The kind of Palestinian development that is desired will be an important and fundamental mechanism for the reconstruction of Palestinian society with all its special characteristics and structure and for its recasting and ingathering into a single framework in accordance with a single plan. It is a form of development that is addressed to all members of the Palestinian people in its occupied homeland and in the dispersion.

In addition to the recommendations that are considered every year, I suggest that you formulate a specific recommendation calling upon the international community to increase its assistance to the Palestinian people, in keeping with its pressing interim needs and its future plans and programmes, in coordination with its legitimate leadership, the PLO, and to form a coordinating mechanism for such assistance consisting of the PLO, the United Nations system, representatives of donor States and groupings, representatives of the specialized banks that participate in the provision of assistance to the Palestinian people, representatives of the World Bank and the International Monetary Fund, and representatives of the Palestinian national institutions in the occupied Palestinian territory. Such a body should draw up a statute and programme of work and should meet once every six months.

Our people, which has suffered from long occupation, deserves your support, your assistance and your cooperation and deserves to profit from your experience with a view to achieving the just peace that it seeks and the sustainable development to which it aspires and which it deserves.

I reiterate my thanks to you all and to the countries, organizations and agencies that you represent. They have demonstrated solidarity with us in the past and continue to do so, and they have provided assistance to our people in the past and continue to do so. We wish the Seminar success in achieving the objectives for which it was convened, and we hope that its recommendations will find their way into the realm of practical implementation.

II. PRESENTATIONS

Assistance to the Palestinian people - priorities and needs

(a) Programme for development of the Palestinian national economy for the years 1994-2000

Mr. Yusif Sayigh (Palestinian),
Coordinator, team leader and editor of the Programme

THE PALESTINIAN POSITION

Introduction

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Introduction

It is most fitting that a "Seminar on Assistance to the Palestinian People" should be convened under the auspices of the Committee on the Exercise of the Inalienable Rights of the Palestinian People, (the "Committee" for short), in compliance with General Assembly resolution 47/170 of 22 December 1992. And it is reassuring to the Palestinian people that the Committee has consistently made clear that its mandate requires it in effect to uphold three principles.

The first is that what is involved is rights, not acts of charity. The second is that what is involved is not one category of rights, whether human, political, social, or economic, but an integrated body of all these categories. Thirdly, what is involved is inalienable rights, that is, that they are "incapable of being alienated, surrendered, or transferred"[1]. Since this is the position taken by the United Nations, the repository of international legitimacy and the guardian of our people's rights, then nothing can deprive us of them, neither protracted occupation, usurpation, and iron-fisted repression, nor the biased position taken by certain great powers which trim and dilute them almost beyond recognition, and delay our exercise of them even in their trimmed and diluted form and content.

I. Priorities and needs under occupation

Let me assure you that the great importance which the "Committee, according to its mandate," has always attached "towards mobilizing the necessary assistance to promote the development of the occupied Palestinian territory (OPT), including Jerusalem,"[2] is most welcome and fully appreciated. Nevertheless, we must emphasize that the social and economic needs of the OPT, which are vast, critical, and urgent, are for the most part a direct consequence of Israeli occupation and the infringement on, and dispossession and marginalization of our economy and resources associated with the policies and practices of the occupying power. Thus, the identification of the needs and priorities of the Palestinian people cannot be properly made and assessed unless they are looked at within the context of occupation. It follows that the well-meaning and earnest efforts by the Committee and by many Governments, non-governmental and multilateral organizations, will always remain inevitably limited in scope and impact, so long as the occupying Power retains in a firm grip not only political but also economic decision-making in the OPT.

With this unavoidable inference in mind, I will first attempt to identify the main areas of need within the framework of occupation, and subsequently, in the section to follow in this paper, to indicate how the Palestine Liberation Organization (PLO), as the sole and legitimate representative of the Palestinian people, is preparing for a comprehensive response to the social and economic needs of Palestinian society once it regains empowerment to exercise the right, at least, to economic decision-making. However, I will have of necessity to limit myself now to the identification of those needs which meet four criteria: (a) urgency; (b) propensity to strengthen linkages among and within economic sectors; (c) employment and income-generating capacity; and (d) feasibility.

Urgency is determined by the identity of the social strata that will benefit from satisfactory attention to their pressing needs, such as housing, health care and training, as well as by the promotive effect which positive action will have in the areas targeted. Two things are involved in the present context: first, the freeing of the economy so that it may be able to increase, improve, and diversify its production; and secondly, the provision of opportunities for Palestinian exports, whether manufactured or agricultural, to reach the markets where they can be sold, including Israel. These opportunities are now largely hindered by discriminatory Israeli regulations, while Israeli goods, both agricultural and industrial, flow into the Palestinian market unimpeded, supported by subsidies which the Palestinians cannot match, and free of import tariffs which the Palestinians cannot levy. Establishing reciprocity, in order to equalize the chances of fair competition, is another essential need for the farming and manufacturing activities of the OPT.

The propensity to create strong linkages within and among sectors is best exemplified in the construction of houses, since it activates many sectors, sub-sectors and industries which provide construction with essential inputs such as piping, electrical connections, woodwork, tiling and the extraction of local building materials. Agriculture and tourism also have a high elasticity in the effect of their activities on other sectors.

Employment and income-generating capacity is possessed by all productive activities, but some have greater capacity than others. Two prominent examples come to mind in this context: once again, house building and farming, but also, though to a lesser extent, cottage industry. Farming has an additional claim to priority because it enhances the determination of the rural population to stay on the land and resist the temptation to leave farming and emigrate, or turn into employment in the Israeli economy which is dehumanizing in its conditions as well as insecure. Yet, the scope for the extension of rain fed and irrigated farming is severely narrowed by Israel's massive usurpation of Palestinian land and water resources, and the illegal implantation of scores of Jewish settlements on occupied land, in violation of more international conventions and United Nations resolutions than time permits me to list. On the other hand, although building houses for personal habitation does not provide sustained "take-home income", it saves house-owners the payment of rent, thus giving them an imputed income, and in addition, it contributes handsomely to national income through the accelerator and multiplier effects, that is, the income effects of new investment and increased consumption respectively.

Finally, the criterion of feasibility as used here relates essentially to the practicality, under the tight restrictions and limitations of occupation, of setting up and investing in projects which satisfy the first three criteria. Ample experience shows that investment is in most cases allowed only after long delays and the imposition of many obstacles, with the result that only a small proportion of applications for new projects are usually approved. Donor agencies, like the organizations they deal with in the OPT, are no doubt familiar with the process, and know how adept Israeli authorities are in the art of using restrictive tactics carefully built into the hundreds of military orders (from which there is no effective legal redress), and the resort to official practices (that do not have to be justified or even explained). The alibi of "security" can always be invoked on the rare occasions when Palestinian applicants manage almost miraculously to get through the small eyes of the net of military orders and official practices.

The selection of criteria to apply in the prioritization of economic and social needs is not sufficient by itself to smooth the way for the satisfaction of the needs given priority ranking. Four necessary conditions have to be met for the circle needs-to-satisfaction to be completed. These are: (a) most prominently, obtaining a certain measure of accommodation by the Israeli authorities, without which the projects and programmes involved would be non-starters; (b) the setting up of relevant Palestinian institutions (or the activation of those in existence), to receive and effectively deploy external assistance received; (c) the availability of adequately funded and staffed banking systems for commercial and developmental purposes, and their freedom to receive, administer and allocate foreign exchange; and (d) the training of a large enough number of men and women to undertake the many administrative, technical and professional tasks and responsibilities which even the limited scope of development allowed by the Israeli authorities would necessarily call for, if a creditable rise in labour productivity, a rational use of resources, and somewhat greater economic diversification are to be achieved. It is fair to add that the condition of training seems to be the least likely to meet with insurmountable Israeli obstructionism and, furthermore, that training has attracted offers of financial and professional assistance from the European Community, France, the United States, Japan, Britain and Austria - just to refer to governmental assistance alone.

It must be obvious by now that the political factor is the sine qua non for success in the deployment of substantial efforts and financial and technical assistance to meet some of the more pressing social and economic needs of the Palestinian people. To that extent, therefore, donors, whether the United Nations, Governments, international or non-governmental organizations, are strongly invited to help in the loosening of the grip of the occupying Power on decisions relating not only to political, but also to economic and social life and activity. Success in the translation of the donors' good intentions and assistance into programmes and projects with a fair chance of implementation and fruition, and of lightening the severity of the traumatic hardship suffered by the Palestinians, is a function therefore of the support they receive in the political direction indicated.

But it must be remembered that, whatever may and can be achieved under occupation, it will remain no more than a palliative: no comprehensive and integrated social and economic development can be undertaken under occupation while the Palestinians cannot exercise their inalienable economic rights as a minimum. Massive Israeli infringement on the political and economic rights of the Palestinians, their political and economic dispossession, the crippling and marginalization of their economy and its forced integration into the Israeli economy as a handicapped and heavily dependent "satellite", will all remain with us under occupation. It follows that thorough curative and corrective treatment of the economy will have to be attempted. But such treatment can only be administered when the Palestinian society becomes master of its social and economic decisions. This brings me to the Palestinian perspective of development once Israeli occupation is terminated.

II. The Palestinian Perspective of Development[3]

This perspective has been embodied in the "Programme for Development of the Palestinian National Economy for the Years 1994-2000",[4] or the Palestine Development Programme (PDP), for short. The programming project was started over two years ago by the Department of Economic Affairs and Planning in the PLO, whose Director-General addressed this Seminar at the opening session today. The PDP is virtually complete now, except for final touches. Its main components which I intend to present are the assumptions and premises on the basis of which the PDP has been designed, its main objectives and priorities, the strategies and dynamics expected to give the drive for development impetus and sustenance, the phasing of the PDP, the investments required for it, and finally the machinery that is expected to serve and shoulder the developmental effort.

Assumptions and Premises

The assumptions made relate to the very feasibility of the PDP and to issues of critical importance to its formulation and its content and size. These are:

Political assumptions, the core of which is that the Palestinian Interim Self-Government Authority (PISGA) will be able to exercise the right of economic and social decision-making and the implementation of related decisions. Israel's conception of autonomy during the interim period of five years, as articulated by Prime Minister Rabin during the Israeli electioneering campaign of last year, was that Israel would keep in its hands security and foreign relations. But he specified that economic and social decisions relating to industry, agriculture, tourism, banking, fiscal policies and regulations, health, education, etc. would all be prerogatives of the Palestinian Authority. Consequently, we start from the premise that as soon as PISGA is instituted, it would be up to it and to the Palestinian society to launch a comprehensive social and economic programme.

Demographic assumptions, the core of which is that the Palestinians displaced in 1967 as a result of Israeli occupation, who numbered some 350 thousand then, but have grown through natural increase to about 650 thousand, are entitled to return to their homes and land in the now occupied territory. In fact the Security Council called upon the government of Israel in resolution 237 (1967) of 14 June 1967, and I quote, "to facilitate the return of those inhabitants who have fled the areas since the outbreak of hostilities". Thus we assume that some 500 thousand of the displaced Palestinians will choose and be able to return within the years 1994-2000, over which the PDP stretches. Finally, we assume that the PDP will have access to other Palestinians in the diaspora who possess skills and capabilities which the population on Palestinian soil does not possess in sufficient quantity or quality, in order to provide the PDP with the specialized manpower it will certainly need.

Territorial assumptions, the core of which is that the whole of the area of Palestine occupied in 1967 would return to Palestinian control, in compliance with the stipulations of the Fourth Geneva Convention of 1949, and of several United Nations resolutions that declare the illegitimacy of the acquisition of territory by force, and ask Israel to withdraw from the occupied territory including Jerusalem. We further base the design of the PDP on the resolution taken by the Palestine National Council in mid-November 1988, which declared the establishment of the State of Palestine in the whole area occupied in 1967. (It is useful to mention here that apart from the West Bank and Gaza Strip, Israel also occupied the small Hamma salient - an area rich in mineral springs - to the south-east of Lake Tiberias which had been in Syrian hands since 1948).

Finally, our territorial assumptions mean that land and water resources which Israel has usurped in violation of the Fourth Geneva Convention and United Nations resolutions will return to Palestinian control and use. With regard to water specifically, we assume that we will be enabled to control and use our rightful share of the waters of the River Jordan, and also of the mineral wealth of the Dead Sea, as a riparian party, in addition to the water resources that originate in our land.

Objectives and Priorities

Three particularities of the Palestinian situation dictate the setting of certain development objectives which do not usually form part of development plans or programmes of political entities or states which have been established and in normal existence for a number of decades. But, obviously, the PDP also targets a notable improvement in the economy's performance and average income per capita, and in the level of living, while keeping gross maldistribution of income under reasonable control.

The first particularity is that the PDP will relate to a brand new political entity, a state-in-the-making, with all that that means with respect to new structures, institutions, policies, programmes and instruments. Thus, the formation of a national governmental authority, civil service and local authorities form part of the PDP.

The second is that the PISGA, upon its institution, will take over the direction of a society and an economy which do not enjoy a normal state of being and functioning, as they will have emerged from a period of protracted occupation which has been harsh, repressive and crippling in the political, social and economic spheres alike.

The third particularity is that the PDP has not been drawn as an abstraction, far from the specific needs and interests of the Palestinian people. Instead, its components, in terms of sector programmes, have been prepared by a large group of 91 very concerned Palestinian academics and experts, 65 of whom live in the OPT, while 26 live in the diaspora.

Taking off from the three particularities just identified, the following objectives have been singled out, apart from what may be called "standard" or conventional objectives.

Correction of distortions, dislocations, imbalances, and bottlenecks, in other words, correction of deformities in the economy, its institutions and its performance which have been largely caused by Israeli occupation, as well as those relating to its present stage of development.

Creation of a vast number of employment opportunities for labour absorption. This is a most urgent objective, in view of the very high level of unemployment prevailing, both open and full, and disguised and partial. If we add to this factor the new entrants into the labour force expected during the years of the PDP, the enormity of the challenge of employment would become colossal. Only a far-reaching programme designed to expand and activate all sectors would be able to reduce the volume of unemployment tangibly. Yet, even though labour supply is taken to form only one-fifth of total population, the PDP's absorptive capacity for labour would still fall short of full absorption by 50,000 by the terminal year 2000.

Housing. A total of 185 thousand housing units, each to house 6 persons on the average, will be called for in the years 1994-2000, if housing is to be found for the 500,000 returnees, for the net natural increase in population, and for replacing extremely shoddy, unsafe, poorly-equipped and over-crowded housing. The latter purpose includes addressing the improvement of housing conditions of camp refugees in the OPT.

Expanding and improving economic and social infrastructure, as it has been greatly neglected by the occupying Power. It suffers serious dilapidation, erosion and inadequacy, and it provides very narrow coverage, especially in the countryside and the camps. It ought to be mentioned in this connection that, although the occupying Power took in from the OPT during the first twenty years of the occupation, through taxes, fees, and other charges, much more money than it put back, in terms of current and capital expenditure, thus accumulating a surplus of $800 million, it has been most niggardly in investing in the infrastructure of the OPT[5].

Promotion of export-generating sectors, which have an inherent merit as foreign-exchange earners and as promoters of a certain measure of self-reliance in the economy. Tourism and the export of certain manpower skills are expected to be strong potential-foreign-exchange earners. Training, which is emphasized in the PDP, aims, among other things, at capitalizing on those areas where Palestinian expatriates have for many years enjoyed a comparative advantage such as teaching, administration, contracting, accounting and auditing, banking, medicine and related skills, and entrepreneurial activities.

Acquisition and internalization of technological capability. Education; vocational, administrative and professional training; and the integration of concern for technological improvement into all spheres of activity, are three areas that receive careful attention in the PDP, on the grounds that Palestinian manpower is the most valuable resource that the PDP can count upon. The metal of the Palestinian people, having been tested through fire and struggle for the past seven or eight decades, shows that our people has the strength, the readiness to bear hardship without surrendering its rights, the resilience, and the power of survival, that together will constitute a strong driving force for the achievement of the objectives of the PDP.

Targeting balance among regions, social and economic groups, and between men and women. The balance which the PDP is designed to seek is that between urban centers and rural areas, social and economic strata and groups, and above all between men and women. It does not mean mechanical equality in the distribution of assets or income which, even if it were feasible, would damage motivation seriously. What it means is, first, the allocation of special attention, effort, and development resources to the more needy localities and social groups; and second, the opening of opportunities to all who want to and can seize them, be these opportunities in education and training, medical care, business or public office. One aspect in the present context is that the disabled and handicapped who, as a result of Israel's "iron-fist" repression, number 15,000, will be cared for and, where possible, rehabilitated. Furthermore, special educational facilities are provided for in the PDP for the many thousands of young men and women whose education and training have been disrupted because of the extended and repeated closures of schools, universities and training centres.

Development Strategies

A number of strategies will be adopted in the implementation of the PDP.

1. First, there is a group of strategies for the promotion and diversification of production. They include:

(a) Establishing a rational balance between agriculture and manufacturing. Neither is designed to enjoy predominance over the other on doctrinaire or dogmatic grounds. Both are meant to be emphasized because of their intrinsic merits, contribution to development and social impact. This bifocal position is reflected in the pattern of investment allocation to the two sectors, and in the emphasis on the implications of technological change in them;

(b) Establishing a rational balance between an export-promoting and an import-substituting strategy. The strategy deemed appropriate in this respect is one which has a dual thrust: promoting exports, but also promoting those activities which are designed for the production of the many goods and services that satisfy basic needs. Apart from tourism, certain types of agricultural produce, many products of the cottage industry, and a number of manpower skills whose exports can be promoted in a relatively short time, export-promoting activities will generally take a number of years to develop. Thus, in the short term, it may be inevitable to make immense imports, both for consumption and capital formation. In the short-to-medium term, financial resources are expected to be available (mostly from external sources) to make such importation possible. Nevertheless, great discipline will have to be exercised, otherwise permissiveness towards imports will prevail and become most difficult to reverse. The pent-up demand for consumer goods will have to be reined in for the sake of investment. Finally, for the long term, special emphasis should be placed on export-promoting activities, whether in the field of manufacturing, agriculture, tourism, financial and banking services, contracting or "skill export";

(c) Careful choice of technology. The issue here is whether to opt for a predominantly labour-intensive or a capital-intensive technology. This is in fact a choice between a strategy that emphasizes the socio-economic merits of providing considerable employment opportunities, and one that emphasizes the empowerment of the economy in cases where the embodiment of advanced capital-intensive technology enhances the competitiveness of its products in local and foreign markets. The position taken in the PDP is that, while in the first 5 to 7 years a labour-intensive technology is favoured, subsequently each sector and sub-sector will have to be examined on its own merits. Where the costs-and-returns calculus shows more or less the same results between the two strategies, a labour-intensive technology will be given priority;

(d) Building supportive institutions, structures and frameworks, which the organization of production and distribution activities and their efficient operation require. These relate, inter alia, to economic legislation, unionization of labour and association of businessmen, development and commercial banks, research institutes, pollution monitoring and environmental protection agencies, and instruments for the acquisition and implantation of appropriate technology;

(e) Strengthening of interconnection and interaction among sectors. This is meant to optimize the salutary effects of forward and backward linkages within the machinery of production, and thereby to promote efficiency and resource and cost saving;

(f) Capitalizing on the return of land and water resources to Palestinian control and use. In this connection, the restitution of the resources usurped would open up enormous opportunities for economic and social development.

2. The mobilization of diaspora Palestinians. These number about 3 million, and comprise hundreds of thousands of semi-skilled and skilled labourers, technicians, administrators, professionals (scientists, engineers, physicians, educators, social scientists), industrialists, merchants, contractors, and so on. They are all eager to make a substantial contribution to their homeland and national economy as soon as the opportunity arises. Capitalizing on this huge reserve of capable manpower will mean the attraction of significant financial, technical, educational, managerial and scientific help.

3. Adoption of a strategy of self-reliance. Self-reliance ought to be understood here within the context of regional (Arab) collective self-reliance, because a notable measure of self-reliance cannot be achieved by the Palestinian economy by itself. Furthermore, what is meant here is not autarky or blinkered isolationism, but recourse by society to its own economic, social, and cultural endowments, actual and potential, and the mobilization of this potential to the extent possible, before recourse to external help. It is firmly believed that, apart from the intrinsic value of self-reliance as a philosophy and a frame of mind, it also has value in the eyes of regional and international supporters or potential supporters of the PDP. This is because a society that tries seriously and consistently to help itself, will be seen by others as worthy of help and support.

4. Capitalizing on the expected assistance from Arab and international sources, in addition to contributions by diaspora Palestinians. The impact of the availability of external investment resources and technical, managerial, and specialized skills will be enormous if the PDP is to be translated into concrete achievement. The assistance is expected to come in the form of loans, investments, and/or grants - in case or in kind. Compensation by Israel for damage sustained by the Palestinians is also expected.

5. Capitalizing on respect for human rights, basic freedoms, and genuine and broad-based political participation. The PDP treats these desiderata as fundamental values which Palestinian polity and society will seek, inculcate and respect. In addition to their intrinsic value in political, social, cultural and psychological terms, they are also of great motivational economic value. We realize that only a free society can contribute its utmost to development. For there can be no genuine and lasting commitment to the objectives and the heavy tasks of development without political participation, freedom and the enjoyment of human rights.

6. Capitalizing on the "release" and motivational effects of freedom from occupation. This strategy is listed last, but it is the most powerful. Thus, although the sense of release and the motivational impact it has belong to the domain or psychological factors, they have a direct and strong effect on economic activity and the willingness to bear the sacrifices and undertake the toil which development will call for over many years to come. The sense of release and the motivation it engenders can be counted upon to help the mobilization of society as a whole, and is thus a strategy of great promotive significance.

The phasing of the PDP

As stated earlier, the PDP is designed to cover seven years, 1994 through 2000. The first two years are considered a period of rehabilitation for the economy, during which removal of the obstacles most impeding to development will be initiated, and essential new legislation will be put into effect to provide the economy with the basic legal framework. Furthermore, preparations will be made in this period for the programmes and projects which have to be undertaken urgently, like public housing, promotion of tourism, crash programmes for training (for the civil service and business), and the extension and improvement of certain components of physical infrastructure (as for instance addressing the serious problem of sewerage in the Gaza Strip; solid waste disposal in the Strip but also in many parts of the West Bank; and repair of the water distribution system for domestic use to stop the high proportion of seepage). Furthermore, the rehabilitation period will serve to enhance the economy's capacity to absorb large investments, with a minimum of waste and inflation.

Thus, the two-year period will make the economy readier to cross the threshold of the following five-year phase of active and diversified development on various fronts. The latter phase will emphasize the construction aspects of the PDP and the enhancement and diversification of the economy's performance, for the benefit of greater, better, and more varied production.

No more will be said on the phasing of the PDP, since the next task after the completion of the Programme, will be what one may call the "programming of the Programme" - that is, arranging the many tasks involved in a priority and sequence ordering which reflects their own individual urgencies, and the linkages among them - two factors which would determine the necessary detailed phasing.

The investments required for the PDP

The total requirement is estimated to be about $11.6 billion, or an average of about $1,660 million a year. Actual investment is expected to be much smaller in the first couple of years during the rehabilitation phase, and to rise considerably during most of the remaining five years of the Programme, then to dip slightly during the last one or two years when the main components of heavy investment would have been deployed. Over $2 billion is expected to be provided by domestic saving, the balance to be sought as external assistance.

A detailed sector-by-sector picture of the pattern of resource allocation for investment is presented in Table 3 which is appended to this paper. (Tables 1 and 2 contain projections of population and labour supply, respectively, for the years 1990-2000).

The Machinery of the PDP

The design of the machinery is determined by the guiding principle of the imperativeness of establishing a politically, socially, and economically sound, and reasonably stable mix of roles and functions among the public, the private, the cooperative, and the mixed (or joint) private-and-public sectors. The PDP emphasizes that ideological and rigidly-doctrinaire attitudes and positions should not be taken in the definition of the composition of the mix and of the respective roles and functions of its components.

The fundamental position taken is the restriction of the government's role to those functions and responsibilities that exclusively belong to it and can be effectively undertaken by it. These include the provision of certain components of physical and social infrastructure, preferably parallel with private investment in these components wherever possible, and the undertaking of those programmes, projects, and networks that generate external economies for the private and cooperative sectors (such as industrial zones; irrigation and drainage, water, electricity networks and road building). The provision of law and order, and of a legal framework, obviously fall in the government's area of competence.

Basically, the PDP envisages the promotion and flowering of a market economy, and the machinery is designed to consist in large part of companies, institutions and structures from within the civil society. There are many of these already, although they have been deprived of much of the desired freedom of action and therefore of being healthy and active. It is expected that they will be activated during the transitional period of self-government and that many more will be formed.

An observation related to planning is in order here. It is that what the PDP represents is not central, comprehensive, and mandatory planning, under the logic of which the distribution of factors and products, and their pricing, are largely influenced, if not altogether determined, by central authority. The PDP is not an instrument of a "command economy". Instead, what is considered acceptable in the PDP is suggestive or indicative programming, under which factor and product allocation and pricing would be determined by market forces, and where considerations of public welfare would be attended to through inducements and incentives via the instrumentality of fiscal and monetary and credit policies, and/or through the advisory services of institutes that undertake applied economic and technical research, and put their findings and recommendations at the disposal of businessmen and potential entrepreneurs.

It is essential to add that indicative planning as envisaged would not be disruptive of economic activity, obstructive of the operation of economic principles, distorting of economic structure, or heavily bureaucratic and therefore conductive to sluggishness of economic activity.

One part of the machinery of the PDP deserves special mention. This is the investment banks (or funds) which are proposed to be set up, to serve as the main lending agencies for financing the development of housing, agriculture, industry, tourism, urban centers and the cooperative movement. These agencies will operate on a "revolving-fund" basis, which will mean that their funds will be instrumental, through their repeated circulation, in the execution of many programmes and projects the cumulative investment in which will be a multiple of the resources deployed in the first place. It remains to be added that the funding agencies will be required to assess the technical and economic feasibility of the projects whose funding is sought, and, upon approval of the loans, to follow up with the execution of the work for which the loans had been extended. And, when repayment of the loans falls due, the agencies will collect from the borrowers.

Finally, the investment banks or funds will receive their working capital from the government, out of the external assistance it is expected to receive, and from domestic savings channelled through the commercial banking system, or through the government in the form of taxes collected from the business and household sectors. In brief, the investment banks will serve as a conveyer belt for investible resources, between the sources and the borrowers of these resources.

The last observation to make relates to the most obvious but also the most central part of the machinery: the Palestinian people, since it will shoulder the burden of the development effort. Wherever the Palestinians are, they prove to be hard-working, resourceful and enterprising. To these qualities must be added their eagerness to learn and the high premium they assign to education. Consequently, they can be counted upon to direct their mental, psychological and physical abilities to the drive for development. They realize that the penalty of failure will be too severe to accept, economically and socially, and possibly politically, for themselves and their children for generations to come. On the other hand, the reward of success will be enormous.

Conclusion

I will not try to tie the strands of my paper together in these concluding words. Instead, I would like to end by asking you all to give us your support in our struggle and determination to rebuild our society and economy. The support we hope to get is not only financial, economic and technological. It is also, and perhaps primarily, political and moral. We need your support in helping to make the peace process succeed and bear fruit in a just and lasting peace, through a political settlement in the achievement of which every one who has helped can be proud. It is thus that the world can at last make some amends to the long-suffering Palestinian people, and enable it to put the process of socio-economic development in sustained motion. At that point, peace would lead to meaningful development and regional cooperation and the same development would consolidate the peace which would have made it possible in the first place.

May I then plead with you to help us pass on to our children and grand-children a much brighter, healthier, more prosperous and much more peaceful life than that which we, their parents and grand-parents, have had.

Notes

1. This is the literal meaning of "inalienable" according to Webster's Ninth New Collegiate Dictionary.

2. Quotation from the statement sent to each of the speakers at the Seminar on "Assistance to the Palestinian People" held in Paris, 26-29 April 1993, under the auspices of the United Nations Committee on the Exercise of the Inalienable Rights of the Palestinian People.

3. I have relied in much of Section II of the present paper on an earlier paper I had prepared. See Yusif A. Sayigh, "Development Strategies for the Palestinian Development Programme", given at the ECCP-NENGOOT 1992 Conference on "Palestine Development for Peace", held in Brussels, 28 September-1 October 1992. See in particular pp. 18-23.

4. I have been directly and closely associated with the Palestine Development Programme, PDP, right from the inception of the idea of the programming project until the completion of the PDP, as I was asked by the Department of Economic Affairs and Planning of the PLO to serve as the Coordinator of the Project and Leader of the Team (of contributors), and the Editor of the entire Programme document.

5. See Benvenisti, Meron, West Bank Data Project, 1987 Report: Demographic, Economic, Legal, Social and Political Developments in the West Bank (Jerusalem Post, Jerusalem, 1987), table 12, pp. 29 and 30.

Appendix

Technical Note

A predictive simulation model was made for the PDP before the allocation of investment resources to the various sectors and activities was started. It was based on certain assumptions and deductions with regard to the degree of urgency of the various components of the Programme, to incremental capital-output ratios by sector-group, incremental capital-labour ratios by sector, and incremental labour-output ratios by sector. Resource availability and uses, sector elasticities (reflecting the impact of each sector on other sectors), and labour supply and allocation expectations, were likewise based on certain assumptions, in the formulation of which some normative considerations, but to a larger extent relevant experience from neighbouring Arab countries, were utilized.

Upon the termination of the preparation of the programme and the emergence of the pattern of allocation of investment resources among the various sectors and activities, a post-allocation model was made, which was meant to test and, when necessary, adjust, the internal consistency of the allocation pattern. This consistency was targeted with respect to the availability and uses of resources, both internal and external, the supply and allocation of labour, and inter-sector and inter-activity interactions and relationships.

This second, post-allocation model, required the grouping of sectors and activities in a somewhat different manner from their grouping in the Programme document. In that document, sectors are grouped as "framework" sectors and activities [in which such sectors as influence and underlie the whole economy and society are put together (in part two of the PDP), commodity sectors (in part three), and service sectors (in part four)]. However, the arrangement is as follows in the post-allocation model:

1. Agriculture and water;

2. Industry (transformation, extractive, cottage);

3. Energy;

4. Construction and building (public housing programmes and building for other purposes);

5. Infrastructure (education and scientific research; training; public health; transport, communications and storage; public utilities);

6. Other services (social welfare, recreation, culture and fine arts; tourism, hotels and related services; trade and marketing; government, the civil service and local authorities; commercial banking, investment banking, monetary and fiscal policies and institutions).

The variation in the grouping between the Programme document and the post-allocation model (which appears at the end of the Programme) has meant that investments in the model are grouped under the sector heading as identified in the model, in a manner which makes the calculation of a sector's production function possible. But they are shown in the Programme under the institutional identity of the recipients of the investment. However, total investment for the whole Programme is, naturally, the same in both cases.

Table 1

Population projections (including returnees) for the years 1990-2000

Year	Returnees (thousand)	Residents by End of Year (thousand)
1990	---	1,734
1991	---	1,791
1992	---	1,850
1993	---	1,911
1994	100	2,077
1995	100	2,249
1996	100	2,426
1997	100	2,610
1998	50	2,748
1999	50	2,890
2000	---	2,985

Notes:

1. The net natural rate of population increase used in the calculations is 3.3 per cent per annum.

2. The number of residents shown in the last column for the years 1990-1993 includes the residents at the end of the year with the net natural increase during that year. For the period 1994-1999, the numbers in the last column include the residents at the end of the previous year plus the returnees during the year, plus the net natural increase in both groups. The number of residents at the end of the year 2000 is equal to that of the residents at the end of 1999 plus their net natural increase during 2000.

3. The number of residents at the end of 1990 has been calculated as follows: according to the Central Bureau of Statistics estimates of the population in 1988 in the West Bank and Gaza, the total stood at 1,484,000 without East Jerusalem. To this, I added an estimate for East Jerusalem, namely 150,000 which brought the population of the OPT to 1,634,000. The latter estimate was then projected to 1990 by the annual addition of the net natural increase in population at the rate of 3.3 per cent per annum - the same rate that has been used for the years down to 2000.

Table 2

Projections of the size of the labour force for the years 1990-2000

Year	Labour Force (thousand)
1990	347
1991	358
1992	370
1993	382
1994	415
1995	449
1996	485
1997	522
1998	549
1999	578
2000	597

Notes:

1. The "labour force" is what is also understood by the term "labour supply".

2. The estimates are based on the assumption that the labour force constitutes 20 per cent of total population. This is a very low proportion if compared with its counterpart in industrial countries, and lower than that in the Arab region, where it is estimated at about 25 per cent. However, it is in line with the estimate in use for the OPT with respect to the late 1980s, which stood at about 19 per cent.

Table 3

Allocation of investment resources by sector

Programme for Development of the Palestinian National Economy
for the Years 1994-2000
(USD Million)

Sector and Sub-Sector		Investment
1. Water and agriculture		1,198.0
1.1 Water	200.5	
1.2 Agriculture	997.5	
2. Industry		405.0
2.1 Expansion of transformation industry	110.0	
2.2 New industries	144.0	
2.3 Technologically-advanced industry	64.0	
2.4 Extractive industry	79.0	
2.5 Cottage industry	8.0	
3. Energy		625.0
4. Building and construction		5,789.0
4.1 Public housing programmes	3,750.0	
4.2 Building for other purposes, and building machinery and equipment	2,039.0	
5. Infrastructure (social and economic)		2,906.0
5.1 Education, research, training, science and technology, environment	606.0	
5.2 Public health	480.0	
5.3 Transport, communication and storage	1,495.0	
5.4 Public utilities (sewerage, etc.)	325.0	
6. Other services		725.0
6.1 Social welfare and recreation, culture and fine arts	240.0	
6.2 Tourism, hotels, and related services	277.0	
6.3 Trade and marketing	30.0	
6.4 Government organization, civil service, and local authorities	50.0	
6.5 Currency, money, commercial banking, investment banking	128.0	
Total all sectors		11,648.0

Notes:

1. The grouping and ordering of the sectors in this table are similar to those in the post-allocation model referred to in the "Technical Note" in the present "Appendix".

2. No estimate for recurrent current expenditures (working capital) are included in the table.

3. The capital and working capital of such sub-sectors as commercial banks, investment banks and the monetary agency which have large volumes of holdings of financing resources are not included. All through, the allocations shown in the table only relate to the fixed capital formation needed for the various sectors and sub-sectors.

4. Although the environment is not shown as a separate sector in the grouping in the present table, it has an allocation of $210 million. However, this allocation appears under the allocations for some other sectors (such as public utilities, where sewerage disposal, solid waste disposal and treatment, and similar programmes that fall under the protection of the environment belong). The authority in charge of the protection of the environment by itself has an allocation of $9.3 million for its own equipment, transport facilities and monitoring system.

5. All investment in buildings and related structures required for all authorities - in the public and private sectors alike - is grouped under the two components of "Sector 4: Building and Construction".

6. The PDP is not only concerned with fixed capital formation, but also with policies and institution-building (or expansion) involved in the development of the various sectors. This does not appear in the table above, except to the extent that studies related directly to specific capital formation are incorporated in the allocations. The sector chapters in the PDP document deal adequately with the policies and institutions in question.

(b) The present situation in the occupied Palestinian territory

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THE BUSINESS ENVIRONMENT IN THE GAZA STRIP

1. General Background

The Gaza Strip is one of the most densely populated areas in the world. It is a plain narrow area on the Mediterranean coast bordering Egypt's Sinai Peninsula. It is only about 360 kilometers squared with a population of about 800,000 people.

The natural resources of the Gaza Strip are limited to small agricultural land with favourable climate and modest fisheries in the Mediterranean. Human resources are well developed, compared with typical developing countries, with a high literacy rate and high life expectancy. The population of the Gaza Strip is young. Almost 50 per cent of the population are aged between 14 and 65. This represents a high potential labour force which is considerably larger than actual employment.

A large proportion of the labour force of the Gaza Strip is employed in Israel. The percentage peaked at 46 per cent of the total labour force in 1987 but has declined to about 25 per cent in 1991. In addition, about 40 per cent of the workers who work in industry in the Gaza Strip do subcontracting work for Israeli firms.

The economy of the Gaza Strip is characterized by very large services sector whose share of the total output estimated at 50 per cent, a large but fluctuating agricultural sector and smaller construction and industrial sectors.

Gross domestic product (GDP) of the Gaza Strip is estimated at 1,080 million new Israeli shekels (NIS) ($450 million) and the gross national product (GNP) at NIS 1,690 ($700 million) in 1990. Per capita income is estimated at $900 per year. This may look high compared to other developing countries. However, because of the dependence of the Palestinian economy on the Israeli economy, the prices of commodities in the Gaza Strip are exactly the same as those in Israel where per capita income is about $6,000.

Disposable income and consumption per capita in the Gaza Strip had risen considerably until recent years. This was due to the inflows of external aid, and more important due to the substantial remittances from workers employed outside the Gaza Strip both in Israel and abroad. Gross inflows of aid (most of which from UNRWA and Arab sources) averaged about $50 million per annum during the years 1980-1989. Factor income averaged $215 million per annum. The net inflows from abroad represented approximately 40 per cent of the disposable income.

After the Gulf war, the economic situation in the Gaza Strip has deteriorated further. Frequent isolation of the Gaza Strip from the rest of the world and the prohibition of thousands of workers in Israel caused a decrease in income and investment. Factor income from abroad has been further decreased by the end of inflow of aid from Arab sources. Returnees from the Gulf States as a result of the Gulf crisis increased the unemployment level. Unemployment rate in the Gaza Strip is now fluctuating from 30 to 60 per cent depending on the political circumstances. Thus, international assistance is now badly needed.

2. Current status of the private sector

Since the Israeli occupation of the Gaza Strip in 1967, there has been a pronounced reduction in the contribution of agricultural activities to both GNP and employment. This is because of the frequent fragmentation of land due to the rapid increase of population growth and because of the decline in the productivity per worker in agriculture, the high and unfair competition with Israeli agricultural products and the Israeli obstacles on exporting agricultural products. Consequently, the significance of the agricultural activities in the economy of the Gaza Strip was gradually declining. This resulted in a sharp decline in agricultural land which will be the crucial problem in the Gaza Strip in the near future.

The industrial sector in the Gaza Strip is small, fragmented, traditional and dominated by family-owned workshops. In recent years, industrial activities have contributed only 6 to 12 per cent of the GDP and accounted for 15 to 20 per cent of the local employment. The industrial sector is looked at as the principal economic sector which has great potential for the development of the Gaza Strip and the solution for the unemployment problem. At present, small traditional workshops such as textile and clothing, furniture, repair shops, building materials, wood products and bakeries represent the bulk of the industrial activities. A few medium-size establishments also produce soft drinks and a few are in non-traditional branches such as plastics, pharmaceutical and metal products. Investments are generally financed from owners, family members and their associates. Less than 5 per cent of the total investments in the industrial sector in the Gaza Strip are financed from commercial banks and from Arab and international credit institutions. The industrial production is mainly driven by the local market rather than exports. The exception was in the branches subcontracted with the Israeli industry, mainly the clothing industry.

Growth of the private sector in the Gaza Strip is constrained not only by the lack of natural resources but also by the underdeveloped infrastructure, the unstable political and security situation, the scarcity of land and water resources, the unfair competition with Israeli products in the local markets, and the restrictive administrative controls and economic policies imposed by the Israeli Administration. The dependence of the economy of the Gaza Strip on the Israeli economy cause a very heavy dependence on the Israeli market for employment opportunities, supply of imports, export channels and supply of energy.

Thus, several factors have prevented the private sector in the Gaza Strip from developing. The structural obstacles include the following:

(a) The fragmentation, small size and domination of family-owned and operated shops which minimize the advantages of economics of scale, the sectorial integration and the little use of specialized management functions;

(b) The lack of operational and management technical assistance support services and training facilities for workers and administrative staff;

(c) The weak financial support system with no access to long-term credit, the expensive short-term credit, weak banking system, and the absence of a financial market;

(d) The small size of the local market and the weak marketing infrastructure and trading channels;

(e) The weak physical infrastructure, absence of industrial zones and national electric power source, no access to the national sea port and no adequate roads inside the Gaza Strip;

(f) The lack of market information and data banks which may direct investment in the private sector in the Gaza Strip.

Those are the major structural constraints to the private sector in the Gaza Strip. Other constraints arise from the fact of the occupation and from the policies and regulations of the Israeli military administration. The major ones are:

(a) The lack of any public body which may plan and develop, give support and protect domestic production in the Gaza Strip;

(b) The dumping of the local market with Israeli products which enjoy free admission and governmental support through credit facilities and tax exemptions. Local products have therefore to face unfair competition in the local market;

(c) The instability of security conditions and the arbitrary actions and lack of any resource decisions for the military administration on basic issues affecting the private sector;

(d) The massive difficulties in importing raw materials and machinery, and exporting products;

(e) The imposition of high and arbitrarily calculated taxes at various stages of production and trade as well as income tax.

3. Current status of infrastructure

Israel is the only supplier of energy in the Gaza Strip. The total consumption of electricity in the Gaza Strip for the year 1991 was 320 million kilowatts per hour. The existing transformers in the Gaza Strip do not meet the required consumption of the population and causes the fluctuation of current adversely between 120 and 180 volt. This affects the electrical appliances and increases the consumption. The prices of electricity in the Gaza Strip are more than double those in Israel. The frequent cut-off of the power supply badly affects industrial production and productivity in general.

The status of water in terms of quantity and quality is one of the major constraints to economic development in the Gaza Strip. Water is completely under the authority of the Israeli administration. Municipalities, village councils and UNRWA are taking care of the distribution of drinking water under the control of Israeli water authorities. The total amount of water pumped in the Gaza Strip including the consumption of the Israeli settlers was estimated in 1991 at 120 million cubic metres. This made a deficit of about 70 million cubic metres in 1991. Per capita water consumption was estimated at 107 litres per day in 1991.

One of the problems causing the bad quality of water in the Gaza Strip are sanitary practices including sewage and waste disposal. The other important cause for both the quality and quantity is the overpumping of water from the wells particularly for use of the Israeli settlers. Taking care of sanitation in the Gaza Strip is the responsibility of the municipalities, village councils and UNRWA.

In the Gaza Strip, approximately 40 per cent of the houses are connected to the sewage system. Other houses are connected to open canals or have boreholes. The sewage collected by both the sewage networks and open canals are either drained into the sea or gathered in open ponds. This creates pollution of both the underground water and the coastal water.

Dumping of solid waste in open land fields is the only method of disposal in the Gaza Strip. The shortage of sites caused some municipalities and village councils to dispose solid waste in open areas without dumping particularly along main rural roads. Garbage heaps are scattered everywhere in the Gaza Strip.

The road network in the Gaza Strip is in very bad condition. The majority of the roads are either unpaved or paved less than 5 meters wide. Traffic lights are not available in the Gaza Strip. Many roads, including main ones, are closed by the Israeli authorities for security reasons. These conditions cause traffic jams in most of the roads which affect economic productivity. Maintenance of the roads, except those which serve the Israeli settlers, are the responsibility of municipalities and village councils.

The telecommunication system in the Gaza Strip is outdated and of low capacity. It does not meet the increasing demand of the population nor helps economic development in the Gaza Strip. The waiting list for telephone applications is very long and installing a facsimile machine requires the approval of the military Governor.

Housing is one important problem in the Gaza Strip. More than 50 per cent of the population are living in refugee camps and others are living in very bad housing conditions in cities and villages. The housing density is about 9 persons per house in an average house of 3 rooms. On top of this is the frequent demolition of old buildings and historical sites.

Infrastructure in the Gaza Strip has suffered for more than a quarter of a century from the crippling Israeli occupation which has left its deep marks on every road and every squared metre. In short, the present status of infrastructure in the Gaza Strip manifests the need for generous foreign financial assistance as well as political support to build a healthier infrastructure and rehabilitate the economy of the Gaza Strip.

4. The role of foreign aid

Foreign aid to the Gaza Strip proved to be highly successful in providing social assistance and relief for the very poor people. However, as far as the economic development of the Gaza Strip is concerned, foreign agencies did not yet play a vital role. The interest of foreign agencies in the economic development of the area is fairly recent. Financial assistance has been given through small indigenous and mostly foreign institutions which possess very little experience on the development of the Gaza Strip. Priorities for economic development were established in the absence of any plan or even pre-visibility studies but through ideas of inexperienced people or people living abroad.

Looking at the financial summary of the planned and ongoing projects financed by various donors including Governments and non-governmental organizations (NGOs), one would find that health and education were the most favoured sectors, which accounted for 59.5 per cent of the total budget. Industry and agriculture were the third and fourth priorities and accounted for 10.9 per cent and 8.6 per cent, respectively. Infrastructure has been given minimal concern. Furthermore, 48 per cent of the assistance to the industrial sector in both the West Bank and Gaza or over 90 per cent of the assistance to industry in the Gaza Strip is given to a citrus processing plant in the Gaza Strip. This factory has been looked at as vital for the survival of the citrus growers in Gaza in the 1970s and early 1980s but as the problems of water and scarcity of land started to escalate, it became clear that this factory would not be economically and politically viable in the near future. This clarifies the need for dynamic planning and continuous studies to establish the priorities for development.

Continuous foreign support for health and education, particularly through UNRWA, since 1948, has helped the development of human resources in the Gaza Strip and the survival of the poor refugees who were expelled from their homeland. Thousands of those refugees participated in the economic and political scientific progress in many countries. However, the economic and political status in the Gaza Strip did not provide them any chance to live and participate in the development of their own country. The continuing support to health, education and other humanitarian aid and relief is necessary as long as the current situation remains, but the ignorance of both political support and attention to the economic development issues would preserve poverty and reliance on foreign support. Therefore, the economic development issue of the Gaza Strip is worth more attention from all donor Governments and NGOs. This requires more assistance to both private sector and infrastructure to ensure a favourable climate for the growth of the economy.

Priorities for assistance to the private sector may be established by the removal of the above-mentioned constraints. These result either from the regulations of the Israeli occupation, which can be alleviated only through political support to ease those obstacles and make an end for occupation, or structural constraints which can be alleviated through financial and technical support. Both political and financial as well as technical support are thus required to make an end for the suffering of the people in the Gaza Strip.

To be more specific, the development of the private sector in the Gaza Strip requires assistance in the creation of a favourable infrastructure, credit facilities and implementing institutions. This should be done through a policy that encourages export-oriented industry and domestic service enterprises and based on improving the capacity of Palestinians to compete in an open market economy. Donors should increasingly turn their attention to support of policies, programmes and projects which are linked across sectors in a way that allow for most effective use of available resources. Given the current deteriorating situation and the unstable political environment in the Gaza Strip, donors and those involved in the economic development of the Gaza Strip should consider the policy issues which include:

(a) Support of investment in productive industries which ensure intra- and inter-sectoral linkages and places minimum burden on land and water resources such as crop, livestock production, vertical housing projects and manufacturing of building materials;

(b) Support improving the managerial and planning skills for Palestinians currently and potentially responsible for infrastructure projects;

(c) Support upgrading the capacity of skilled and semi-skilled workers in industry and infrastructure particularly in new technologies;

(d) Upgrade and expand road networks particularly key market access roads and roads in villages;

(e) Support the establishment of data banks specializing in market information, industry, agriculture, labour force, water resources and sanitation;

(f) Support establishing and enhancing institutions and support-systems which support private sector development such as the Chamber of Commerce, the Union of Industrialists, credit institutions, technical and managerial advice centers and quality control and product-testing institutions;

(g) Support the establishment and the local management of national industrial zones in the Gaza Strip.

To assist in the proper setting of priorities, all these issues may be addressed by a single institution which ought to be established in the Gaza Strip. This institution may be in the form of a reconstruction bank which can take the responsibility of dynamic planning, training, implementing projects, lending money and providing financial, technical and managerial advice services. The reconstruction bank with experienced staff can design policies and help implement them through giving loans, consultations, giving grants and implementing profitable and non-profitable projects. It can conduct research on developmental aspects of the Gaza Strip and visibility studies and identify the economically and politically viable projects. The United Nations, through its auspices, is the only candidate for supervising the establishment of this bank. Furthermore, the reconstruction bank can be independent of the future political status of the Gaza Strip.

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(A copy of Mr. Shtayyeh's presentation was not available
at the time of publication of this report.)

Mr. Muhammad Shtayyeh described, analyzed and prioritized the current economic situation in the occupied Palestinian territories, the West Bank in particular. The relationship between Israel and the occupied Palestinian territories made them Israeli Bantustans and reduced them to becoming economic satellites of Israel. The occupied Palestinian territories were "conditioned" in various ways to serve the Israeli policies.

The economy of the occupied Palestinian territory had to face many challenges, including the need for structural change, severe resource limitations, and the need to influence the social impact of policies in order for these to be economically effective and viable. The economy of the occupied Palestinian territory was characterized by shortage of most resources, including data and analytical frameworks. The only surplus was the unskilled labour power.

The vulnerability of the Palstinian economy to external economic shocks had been starkly apparent during the Persian Gulf war and after the last closure of the occupied territories. Since 1990 the GDP of the occupied Palestinian territory decreased by 12 per cent and the GNP decreased by 14 per cent and construction also decreased by an annual average of 23 per cent. Palestinian remittances decreased from $340 million to $120 million a year since the war. The recent closure of the occupied Palestinian territory by Israel was to be seen as a punishment on the Palestinians since it nearly paralyzed their daily life and the performance of the economy. This situation increased the unemployment rate to 42 per cent of the total labour force, and affected severely tourism and trade.

The aspects determining the choice of sectors and activities were related to their importance in supporting the absorption of the "returnee" workers both from the Persian Gulf and from Israel. Priority should be given to employment generating projects and the building and preparation of the infrastructure. Training for middle and top management, institution building and helping existing institutions were of special significance to adapt to the transitional phase of the proposed self-government. Also, the structural change of the Palestinian economy in the transition period was to take account of uncertainty and to build review procedures and flexibility into economic policy. There should be plans and stand by plans in accordance with the understanding of the transition period and the Israeli intentions.

The role and experience of the United Nations system

Statements by United Nations system organizations

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United Nations Economic and Social Commission
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TOWARDS AN INTEGRATED INTERNATIONAL AND REGIONAL ROLE FOR DEVELOPMENT ASSISTANCE TO PALESTINIANS IN THE OCCUPIED TERRITORIES

The case of ESCWA

Introduction: ESCWA's mandate and role within the United Nations family

Part I: ESCWA's recent experience and activities concerning the occupied Palestinian territories

Part II: Development priorities and prospects

Part III: Cooperation between ESCWA and international, regional and Palestinian institutions

Part IV: Proposed mechanism for coordinating development activities related to Palestinians

Part V: Conclusion

Introduction

Palestine is a full member of the Economic and Social Commission for Western Asia (ESCWA) which comprises thirteen members, constituting the Arab countries situated in the region of Western Asia.

Since its establishment in accordance with United Nations Economic and Social Council resolution 1818 (LV) of 9 August 1973, ESCWA has passed 22 resolutions on issues relating to the economic and social development of the Palestinian Arab people. These had addressed various issues on the economic and social conditions of the Palestinian Arab people within and outside the occupied territories, dealing principally with economic and social conditions under Israeli occupation, population census, provision of assistance to Palestine and coordination with its various organizations concerned with development affairs. Activities relating to development in Palestine were given high priority within ESCWA's programmes in accordance with various international resolutions issued by the General Assembly, the United Nations Economic and Social Council and other United Nations agencies which took into consideration various aspects of human rights in light of the suffering of the Palestinian Arab people within and outside the occupied territories.

To follow up resolutions adopted by the Commission, the ESCWA secretariat established a task force on Palestinian studies in 1986, in which relevant divisions in the Secretariat are represented.

Part I: ESCWA's recent experience and activities concerning the occupied Palestinian territories

The following is a summary of activities which were accomplished by ESCWA in its work programme on Palestine during the last three years and also the activities planned for the next stage.

1. The ESCWA secretariat continued to provide advisory services relating to the Palestinian Arab people to the appropriate quarters, including the Palestinian Central Statistics Office in Damascus in the fields of household surveys, statistical training, data processing and statistical analysis.

2. The secretariat prepares data on population, national accounts, socio-economic conditions, agriculture, trade, energy, finance, transport and communications in the occupied Palestinian territories and publishes it in studies and statistical abstracts, such as the Statistical Abstract of the Region of the Economic and Social Commission for Western Asia, the Unified Arab Statistical Abstract, the Compendium of Social Statistics, and studies on national accounts.

3. The secretariat has prepared the following studies on the social and economic conditions of the Palestinian Arab people in the occupied territories:

(a) "Israeli land and water practices and policies in the occupied Palestinian and other Arab territories" (E/1991/88). This study was submitted in the form of a report by the Secretary-General of the United Nations to the Economic and Social Council and subsequently to the General Assembly at its forty-sixth session (A/46/263);

(b) "The impact of the Gulf crisis on the economy of occupied Palestinian territories".

(c) "A feasibility study for the establishment of a dairy production training center in the West Bank" was prepared by the secretariat in collaboration with the Food and Agriculture Organization of the United Nations (FAO);

(d) "Unemployment in occupied Palestinian territories, 1968-1991";

(e) An evaluation of land and water resources in the occupied Palestinian territories, updating and analysis of hydrological and hydro-geological data and the implications of Israeli policies with regard to land and water in the occupied Palestinian territories (1992);

(f) A workshop on "Planning and evaluation of rural development projects in the occupied Palestinian territories" was organized by the Joint ESCWA/FAO Agriculture Division in the West Bank from 26 July to 11 August 1992, in collaboration with the United Nations Development Programme (UNDP) and Al-Quds Open University.

4. The secretariat has likewise proceeded with implementation of the following activities:

(a) A study on the regional implications of a peaceful settlement in the Middle East is being prepared in collaboration with the Arab Thought Forum. This four-part study examines the economic, political and cultural aspects of a possible peaceful settlement and will be the basis for further continued analytical work on this issue;

(b) Arrangements are being made to carry out the following activities:

(i) A survey of the economic and social conditions of the Palestinian people in the occupied territories;

(ii) Building up the institutional infrastructure for development in the occupied Palestinian territories with special emphasis on the development of financial institutions;

(iii) Study of the impact of Israeli settlements in the occupied Palestinian territories;

(iv) Promoting employment opportunities in the occupied Palestinian territories.

5. In the field of cooperation and coordination with regional and international bodies:

(a) ESCWA participated in a meeting of experts on "Industry in the occupied Palestinian territories" organized by the United Nations Industrial Development Organization (UNIDO) in Vienna during the period 11 to 13 October 1989. ESCWA submitted a paper entitled "The Occupied Palestinian Territories; Industrial Development Policies; Constraints and Prospects";

(b) ESCWA also participated in a symposium on the Palestinian agricultural sector held by FAO in Rome during the period 9 to 11 October 1991 which focused on problems of the Palestinian agricultural sector in the occupied territories;

(c) ESCWA also took part in the Expert Group Meeting on prospects for sustained development of the Palestinian economy in the West Bank and Gaza Strip organized by the United Nations Conference on Trade and Development (UNCTAD) from 19 to 22 May 1992 at the Palais des Nations, Geneva. ESCWA also participated in the discussion of the papers prepared for UNCTAD's project concerning a study relating to prospects for sustained development of the Palestinian economy in the West Bank and Gaza Strip; the study comes within the general framework of the second stage of implementation of the project in accordance with specific scenarios of the future economic conditions in the occupied Palestinian territories;

(d) ESCWA, in collaboration with FAO, has proceeded with the preparation of a study on the rehabilitation of the agricultural sector in the occupied Palestinian territories. Two field missions to the occupied Palestinian territories were undertaken by the staff of the Joint ESCW/FAO Agriculture Division in order to identify and prepare project documents for priority development projects to be submitted to donors for possible funding, the following project documents are being prepared:

(i) Land reclamation and development;
(ii) Rehabilitation of deep wells, mainly for irrigation purposes;
(iii) Rehabilitation of springs and irrigation canals;
(iv) The establishment of central laboratory for veterinary services.

Coordination is being made with the office of the United Nations Development Programme in Jerusalem and with FAO to pursue the implementation of a group of agricultural and water resources development projects;

(e) A closer coordination process has been initiated between ESCWA and UNDP whereby joint activities would be discussed and coordinated. Also, field visits and ESCWA technical assistance to the occupied Palestinian territories institutions have been initiated.

(f) Discussions are underway with the Islamic Development Bank on crystallizing a joint programme of action to support the development in the occupied Palestinian territories;

(g) The ESCWA secretariat continues to coordinate with Al-Quds Open University in the preparation of feasibility studies for certain projects intended to be implemented in the West Bank and Gaza Strip;

(h) ESCWA held an expert group meeting in Amman from 16 to 17 December 1991 to consider absorbing returnees in the ESCWA region, with particular focus on available opportunities in the industrial sector. The problems of returnees in the occupied Palestinian territories were given a special attention at the meeting;

(i) In implementing ESCWA resolution 139 (XII) of 24 April 1982 and resolution 172 (XV) of 18 May 1989, which call for the preparation of studies on economic and social conditions in the occupied Palestinian territories aimed at supporting the industrial infrastructure and addressing marketing, financing and labour problems, ESCWA, the Arab Industrial Development and Mining Organization, the Jordanian Ministry of Industry and Commerce, the Department of Palestinian Economic Affairs and Planning have been collaborating in the preparation for a Conference on Solidarity with Industry and Development in the occupied Palestinian territories. The key paper for the Conference contains a discussion of industry issues, marketing and funding of industrial products in the occupied Palestinian territories, backgrounds of a group of investment projects, and the establishment of training centers in the industrial sector of the West Bank and Gaza Strip, with the aim of making these investment projects known to Arab, regional and international funding quarters. Invitations will be extended to Arab and foreign Governments, and Arab, regional and international funds that could contribute to appropriate solutions to problems of the industrial sector and providing it with the necessary funds. The date of the conference had not been fixed yet;

(j) The ESCWA secretariat, in collaboration with the appropriate United Nations agencies, also undertook to follow-up the implementation of the resolution adopted by the General Assembly at its forty-sixth session (1992), which relate to three major issues viz., living conditions of the Palestinian people in the occupied territories, assistance to the Palestinian people in the occupied territories, and the negative implications of the Israeli occupation practices of settlement in occupied Palestinian and other Arab territories. ESCWA undertakes this work both as the main agency responsible for preparing reports required by the Secretary-General and as an assisting agency contributing to the provision of the necessary information on the living conditions of the Palestinian and other Arab people in the occupied territories.

6. The Commission's sixteenth session resolutions on Palestine:

At its sixteenth session held in Amman from 30 August to 3 September 1992, ESCWA adopted two resolutions on Palestinian development. The first, resolution 184 (XVI), related to the economic and social conditions of the Palestinian Arab people and calls for supporting the secretariat's activities which encompass studies, conferences, seminars and workshops concerned with the Palestinian people, giving priority to rebuilding the institutional framework for development. The resolution also calls upon the commission to provide technical assistance to member states with regard to the peace negotiations, particularly as it relates to regional issues (economic development, environment and water).

The second resolution, No. 182 (XVI), declares the period 1994-2003 a Reconstruction and Rehabilitation Decade for Western Asia. Under this resolution, efforts relating to reconstruction and rehabilitation of development activities will be mobilized. It requests ESCWA to provide technical assistance for the implementation of projects during this Decade for various countries including Palestine.

Part II: Development priorities and prospects: 1/

1. Based on ESCWA analysis of socio-economic conditions in the occupied Palestinian territories, direct meetings and discussions with Palestinian people, ESCWA observation and on reports and studies available to ESCWA. The following development priorities are proposed:

A. Development and reconstruction

(a) Preparation of a National Development Plan based on Regional Development Programmes for the West Bank and Gaza Strip.

It is suggested to divide the West Bank and Gaza Strip into sub-regional territories (north, center and south), and frame its development programme under a policy that rechannels support from individual scattered programmes to an integrated coordinated development. This issue occupies a high priority within the proposed mechanism for coordination between international, regional and Palestinian institutions.

For achieving this, it is proposed to create a coordination body for the development and reconstruction of the occupied Palestinian territories. The development of an institutional framework that will lead and guide the effort is most essential. The recently established specialized councils (industry, housing and health) have not filled the gap. However, such councils could play a vital role in this direction. An evaluation of the current structure of existing development institutions is needed before establishing the central coordination body.

(b) Rehabilitation of the Chambers of Trade, Industry and Agriculture and strengthening the role of the Union and its work related to data base and research.

The Chambers of agriculture, Industry and Commerce are in need for rehabilitation in order to play a principal role as economic chambers. Emphasis may be placed on retraining the staff of the chambers and developing cooperation among these institutions.

(c) Surveying the economic and social conditions in the occupied Palestinian territories on an annual basis. Such surveys should be supported by field missions which have proved to be of vital importance.

(d) Preparation of feasibility studies and surveys of investment opportunities should be enhanced. ESCWA could cooperate with other agencies in executing the Palestinian projects.

1/ The list of priority projects is mainly based on the findings of two recent field missions: (1) The mission which was undertaken by the ESCWA Regional Adviser on Development Issues and Policies and aimed at analyzing the current situation and propose integrated programme of work for ESCWA (16 December 1992 to 8 January 1993); (2) FAO/ESCWA mission to the occupied Palestinian territories to prepare a report on the rehabilitation of the agricultural sector in that area (10 February to 2 March 1993).

B. Agriculture

(a) Land reclamation in the West Bank

Close to 95 per cent of the cultivated area in the west Bank consists of rain-fed agriculture, and nearly 42 per cent of the total agriculture revenue is derived from the products of rain-fed areas, mainly olive.

The rain-fed areas in the West Bank are climatogically diverse and this makes it possible to make use of the reclaimed land for a variety of crops. Small reclamation projects have shown that the cost would be from $2,000-$2,500 per hectare. the reclaimed land could be planted with fruit trees which is labor intensive and brings a higher net income to the farmers compared to field crops and olives.

(b) Village roads

The status of village roads in the occupied Palestinian territories is appalling, especially in the West Bank. Land reclamation is unlikely to make such headway without the construction of all village roads. Moreover, if there are good village roads, farmers will be willing to take up land reclamation at their own expense.

(c) Water resources development

The occupied Palestinian territories use only a small proportion of the waters of the two aquifers (the Western and the Northeastern aquifers) located in its territory. The bulk of the water of these two aquifers is utilized for agriculture, domestic and industrial use by Israel and this is a major issue that will have to be addressed. The immediate problems facing agriculture is the rehabilitation of the main sources of water in the occupied Palestinian territories, namely wells and springs. For each of these topics a separate project proposal is being prepared by the Joint ESCWA/FAO Division. One project is concerned with the rehabilitation of 55 wells and the replacement or construction of 15 more wells over the next five years at a total cost of $6 million. The other project deals with the rehabilitation of an extensive programme for the rehabilitation of wells and springs, not only for irrigation purpose but also to meet the increasing demand for domestic water use. However, the success of both projects depends on the appropriateness of the institutional setting.

(d) Modern nurseries

The diversification of agriculture, particularly irrigated agriculture, demands the establishment of modern nurseries to provide seedlings to farmers. Some nurseries for vegetables already exist and may be sufficient for the time being. However, none of the nurseries are producing seedlings of which can either be exported or for import substitution purposes. These include flowers, strawberries, dates, avocados, early seedless grapes, cantaloupes, spices, pharmaceutical herbs, vegetable seeds etc. A project for the establishment of such a modern nursery in the Jordan Valley would be highly desirable.

(e) Development of the fishing sector in the Gaza Strip

The fisherman work force in Gaza Strip is placed at 1,400 fishermen and it is estimated that between 27,000 and 30,000 families benefit from this sector. Fishermen work under severe circumstances mainly because of the lack of a harbor and other basic facilities in addition to the Israeli restrictions over fishing operations as illustrated in the following:

(i) The Camp David Agreement had assigned the area for fishing at 24 kilometres in length and 8 kilometres in width, whereas before 1979, fishermen had enjoyed more privileges and freedom and a larger fishing zone;

(ii) Suspension of all fishing activities during curfew periods;

(iii) Restriction of the fishing time to specified daylight hours;

(iv) Forbidding the use of any emergency equipments in case of breakdown or storms;

(v) The imposing of a value added tax (VAT) of 18 per cent by the occupying authorities. The VAT is collected via an Israeli company. All interests are conditional upon acquiring a documented release from the IRS (licensing and renewing fishing licenses, renewal of identity cards, departure permits, car licensing, etc.). A complaint by citizens from the treatment of the licensing department at Beit Ail where they have to wait for a long time;

(vi) While large quantities of fish may be available sometimes, fishing is often prohibited during curfew periods.

(f) The requirements for the development of the fishing sector in Gaza Strip:

(i) Fishermen need a fishing harbor and enlargement of the fishing area;

(ii) Boats are manufactured in Gaza and marine engines are imported from Israel, therefore, there is a need to establish an advanced maintenance workshop to replace the current old workshops;

(iii) The need for training courses on advanced methods of fishing;

(iv) Marketing goes through a market that UNDP has established and is being managed by Gaza municipality. This market needs some improvements;

(v) Large quantities of sardine are produced in some seasons, reaching 20-30 tons daily. The Gaza Strip consumes about 10 tons only. Available information refers to EEC pledging to undertake a feasibility study prior to providing necessary assistance in this area;

(vi) Undertaking a socio-economic survey for fishermen in Gaza Strip (1,400 fishermen) and studying the prospects for developing the fisheries resources in Gaza Strip seem to be the most important beginning for the development of fisheries sectors in Gaza Strip. This can be executed in cooperation with international and regional institutions (such as UNDP, FAO and IDB).

C. Education

Higher and public education suffer from severe financial crisis which is affecting their ability to finance urgent needed programme.

The absence of a national plan that identify the needed outputs from the educational system and the educational programmes, that correspond to the actual labour market demands has its negative impact on employment.

A study on harmonizing educational programmes with labour market demands, especially in technical services is urgently needed.

D. Sanitation

In particular drinking water and sewage. The water and soils of the occupied Palestinian territories have been polluted during the occupation. Immediate measures are necessary to reverse the process. Technical and financial support is needed for this huge task.

E. Employment

Employment has become a major social as well as economic issue in the occupied Palestinian territories. At the beginning Palestinian workers could be employed in reconstruction and then gradually released to industrial and agricultural and other development activities. What type of industry will fit the occupied Palestinian territories is an issue to be studied seriously and a plan should be prepared for the West Bank and the Gaza Strip.

F. Seminars and training

The following seminars and training activities will be needed:

(a) Convening a seminar on "The institutional framework for development financing", with the participation of development financing institutions that had previously agreed on the financial participation in holding this seminar. There is a possibility that UNDP and UNRWA will also participate;

(b) Organizing a seminar on unemployment in the occupied Palestinian territories in cooperation with the previously mentioned institutions;

(c) Training on monetary policies and management;

(d) Holding training courses in agricultural machinery maintenance;

(e) Survey for training needs in the agricultural and industrial sectors of the economy;

(f) Organizing training courses in the area of planning and evaluation of industrial projects under changing conditions, in cooperation with the industrial sector institutions;

(g) Preparing an industrial development plan for the Gaza Strip;

(h) Production and vocational training centers. Modernizing the previous studies on these centers and pursuing their execution in cooperation with the international and regional institutions;

(i) Organizing training courses in areas related to economic and social development.

G. Development of a Reconstruction Fund for the occupied Palestinian territories

The above listed activities for rehabilitation and development require a sizeable financial resources. The occupied Palestinian territories has the trained manpower but not the resources. Hence there is arising need for the development of a special fund for reconstruction that could be assisted by donors, including Arab regional and international funds, development assistance institutions, Governments and other sources of assistance.

Part III: Cooperation between ESCWA and international, regional and Palestinian institutions

Suggestions

1. Convening a symposium for development in the occupied territories that assembles economists from the diaspora and economists from the occupied territories to formulate a strategy for development.

2. Involving the institutions and the experts of the occupied territories in the expert group meetings and seminars, organized by ESCWA and other international and regional institutions.

3. Organizing expert group meeting to prepare for a conference that gathers Palestinian and Arab businessmen for the development of the occupied territories in the light of ESCWA's resolution on reconstruction and rehabilitation in Western Asia.

4. Arranging for the convening of a general conference on development in cooperation with United Nations system, international and regional organizations in a later stage, i.e. after the formulation of the ESCWA-proposed development programme.

5. Supporting the UNDP office (Jerusalem) with the special services of ESCWA regional advisers.

6. Jointly carrying out jointly studies related to the rehabilitation of the occupied Palestinian territories.

Part IV: Proposed mechanism for coordinating development activities related to Palestinians

It could be stated that nothing meaningful has emerged in terms of planning for the future. There is no coordination among those providing assistance. Each NGO is running on its own without any guidance from a higher authority. There is a critical need for cooperation among all institutions involved. To avoid duplication and overlapping it is suggested that cooperation procedure start with an information channel concerning the programme undertaken by various institutions.

(a) Developing a policy that gives priority to programmes and policies which are suitable under different political scenarios especially in establishing institutions, as well as emphasizing on small and medium development programmes' strategy;

(b) Priority must be given for institution building that is suitable for all scenarios, as well as strengthening the systems for developing institutions. While rebuilding the development institutions, it is important for the current development institutions, as a basic factor in any development process in the occupied Palestinian territories, to create the central institution or body that will lead and guide the process and the institutions that are well equipped to implement the development activities.

(c) There are vital projects awaiting to be executed that might play a pivotal role in the development process; Gaza's harbor project for the external trade and increased employment opportunities in the West Bank and Gaza; the cement industry in Hebron; land reclamation and development and the opening of external markets for Palestinian products. The abovementioned measures will not be applicable, unless all Israeli military actions in the occupied Palestinian territories are stopped and their effects removed.

Possible proposals for a coordinating mechanism

1. Establishing a focal point in each of the collaborating organizations to act as a liaison office within the UNDP office in Jerusalem, through which information on activities and programmed projects can be collected and exchanged.

2. Strengthening the coordinated development of the occupied Palestinian territories and supporting the UNDP office in Jerusalem. A joint task force that represents all concerned bodies, (international, regional, NGO's and Palestinian institutions) may be established to analyze and pursue the coordination process, and to meet periodically in order to prepare for seminars, conferences or expert group meetings on any issue relevant to developmental activities in the occupied Palestinian territories.

3. In considering these alternatives there is a need to build a link between the representatives of the Palestinian people, the United Nations as well as other international organizations concerned with development in order to ensure support to activities proposed by the task force.

Conclusion

ESCWA is of particular importance to the United Nations system as a multidisciplinary regional commission which is located within and serving the same region.

The human suffering, the increase of violence and rapidly worsening socio-economic conditions in the occupied Palestinian territories calls for enhancing the programmes of assistance.

UNRWA estimates that 60 per cent of Palestinian families live below the poverty line, and 30,000 refugees remain homeless after years of war.[2] Recent developments witnessed the adoption of new Israeli policies and measures, related mainly to the employment of Palestinians from the occupied Palestinian territories in Israel. Such policies and measures will contribute to the worsening of the employment problem.

The occupied Palestinian territories has been witnessing rising tensions. The Israeli decision of 17 December 1992 to deport 415 Palestinian civilians to Lebanon, constituted a destructive step in relation to all efforts directed at whether to achieve a peaceful settlement or to improve economic conditions.

Finally, ESCWA would like to contribute sincerely to the feasibility development programmes, in cooperation with the United Nations family and will continue its efforts on this direction. However, ESCWA attaches great importance to the Secretary-General's statement to the Security Council on 25 January 1993, in which the Secretary-General stated that: "Developments such as those that were the subject of the report [3] underscore the need to achieve just and lasting peace in the Middle East. Only then can the root causes of the continuing violence be eliminated".

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[2] *UNRWA News No. 278. 17 March 1993, p.1.*

[3] *The United Nations Secretary-General refers to Under-Secretary-General Chinmaya Gharekhan's recent mission to the region to discuss with the Government of Israel ways of bringing an end to the problem of deportees. (see United Nations Division for Palestinian Rights, Vol.XVI, Bulletin No. 1, January 1993, p. 3)*

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On behalf of the Director-General of the International Labour Office (ILO), permit me to thank the United Nations and, in particular, the Committee on the Exercise of the Inalienable Rights of the Palestinian People, for having invited our organization to participate in the present seminar. ILO representation today is a response to the request for a spirit of cooperation formulated by the General Assembly in its resolution of 22 December 1992.

The Seminar is yet another proof of the concern of the international community over the fate of the Palestinian people in the occupied Arab territories. All of us here know that the general situation is growing worse, and we can only hope that all efforts to achieve peace will be successfully concluded with the least delay.

Since 1974, ILO has been taking specific and increasingly sustained measures designed to improve the conditions of Arab workers in the occupied territories. These measures are based essentially on resolutions adopted by the International Labour Conference. The first such resolution, adopted in 1974, concerns the policy of discrimination, racism and violation of trade union freedoms and rights practised by the Israeli authorities. Subsequently, in 1978, the Director-General sent a mission to obtain firsthand information on the effects of this policy. A second resolution was adopted by the Conference in 1980 on the implications of Israeli settlements in Palestine and other occupied Arab territories in connection with the situation of Arab workers. The resolution called for an end to the establishment of Jewish settlements in the occupied territories and for provision of "all types of assistance and support to Arab citizens in Palestine and the other occupied Arab territories to strengthen their economic and technical capabilities and to counteract the effects of the Israeli occupation and settlement policy". In addition, the second resolution requested the Director-General of the ILO to submit to the International Labour Conference, which is held in June of each year, annual reports on the conditions of Arab workers in the occupied territories. To carry out this mandate, the Director-General has sent two missions to the Middle East every year to evaluate the situation firsthand. The action is, thus, twofold: the annual report of the Director-General (based on the missions) and technical cooperation.

I wish to say a few words about how the mission to Israel and the occupied Arab territories is carried out. I should explain that for several years now the mission has been preceded by another one to several Arab capitals (Amman, Damascus, Cairo, Tunis) for meetings with Government authorities and Arab organizations concerned. Last March, as in every year since 1978, with the agreement and cooperation of the Israeli Government, the Director-General of the ILO sent three representatives. (I participated in the mission for the seventh consecutive year.)

A programme established by the Israeli authorities from the Ministry of Labour and Social Affairs allows the mission to meet with representatives of the civil administration, that is, with the military authorities which administer the occupied territories, with the Histadrut, with Palestinian workers in their work place in Israel, with Israeli employers and various authorities responsible for employing these workers, as, for example, the Director of the Israeli Agency for Employment. Much of the mission's free time is devoted to organizing in advance on-site discussions with Palestinian dignitaries, trade unions and Palestinian employers. Information useful in preparing the report of the Director-General to the Conference is thus gathered and, in fact, the report is written based on all the information. Of course, other information, such as press articles, various in-depth studies, United Nations Development Programme (UNDP), United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) and non-governmental organizations (NGO) analyses, is also considered, thereby ensuring an objective and accurate evaluation of the situation.

The technical cooperation programme covering ILO activities designed to assist Arab workers in occupied Arab territories is established and updated by representatives of the Director-General on the basis of needs identified during their visits to Israel and the occupied Arab territories and during consultations with the Governments and Arab organizations concerned. In addition, establishment of the programme takes into account exchanges which occur through ILO representatives during various inter-agency meetings of meetings dealing with economic and social assistance for the Palestinian people which are held under the auspices of the United Nations. Increased cooperation with UNRWA has been set in place, and UNDP offers much-appreciated help in the formulation and delivery of this assistance programme.

Until now ILO activities have focused on three priorities: vocational training, training for trade unions and employers and vocational rehabilitation for handicapped people. The definition of these priorities responds both to needs already identified and to execution of tasks already undertaken by ILO in this area. The list is not exhaustive. The continuation of the intifadah undoubtedly increases technical assistance requirements. Prior ILO reports have always emphasized that sustained economic development is the only means of generating the employment which is absolutely necessary in order to satisfy the basic requirements of the Palestinian population.

Since 1980, the ILO Governing Body has agreed to allocate additional funds from the regular budget of the organization as a way of funding specific technical assistance project designed to help Arab workers in the occupied Arab territories. For the period 1992-1993, the ILO budget in this area is approximately $200,000.

In the implementation of its programme, ILO works with UNDP, whose representation in East Jerusalem ensures contact with the Israeli authorities and Palestinian interlocutors. When UNDP funds a project, ILO may contribute in the form of expertise, advice or anything else needed, while UNDP is responsible for the projects. When funding is supplied by ILO from its regular technical cooperation budget or from multi-bilateral financing, UNDP takes charge of practical project coordination, making available its good offices and knowledge of the area, whereas ILO is responsible for project execution.

For the last several years, the Director-General of the ILO has expressed his growing concern over continued Israeli military occupation and, specifically, over the consequences of the intifadah. In 1988, the Director-General was already affirming that new and particularly energetic measures would be needed from the Israeli authorities in order to achieve the objectives stated by the various recommendations contained in his current report and to eliminate the inequalities of opportunity and treatment which persisted in various fields examined by the mission. He also emphasized that new causes for concern had arisen with the uprising in the occupied Arab territories, producing very serious and profound repercussions on the living and working conditions of the workers and their families. Lastly, he added that the situation required renewed efforts to improve the living conditions of this population.

We know that, during the Gulf war, Israel tightened restrictions already imposed on the occupied Palestinian territories and the inhabitants of those territories, the most serious of which was the curfew established in the West Bank and the Gaza Strip on 15 January 1991 just before the commencement of hostilities in the Gulf. This measure was gradually relaxed towards the end of the war, that is about 45 days later. The curfew, in effect, stopped all economic activity in the territories and temporarily deprived the entire population of its very means of existence. The immediate cessation of industrial and agricultural production, employment and exports inflicted great hardships on the entire population, with serious damage to the economy of the territories and with long-term consequences difficult to estimate. In addition to the direct effects of these measures on the working lives of the Arabs in the territories, they also had other consequences for their economy, mainly because Arab workers could not enter Israel to work and because commerce was impeded between Israel and the territories and, within the territories themselves, between the various areas artificially created by difficulty of access to Jerusalem or of passage across the city. The economies of the territories suffered as well from the serious reduction in the level of monies received from Palestinian workers in the Gulf States who had lost their jobs.

The economic and social situation in the territories remains a source of great concern. Israel maintains a strong grip on the keys to production and income: capital, manpower, lands and water, skills and know-how. Although the number of Palestinian workers travelling to Israel has continued to increase since the end of the Gulf war and following the complete ban on their entry during the war, unemployment and under-employment in the territories themselves have reached alarming proportions. The population, moreover, is still deprived of the income derived from monies sent home by Palestinian workers previously employed in the Gulf States and of financial assistance from other foreign sources. The harsh winter of 1991-1992 completely destroyed the winter harvests in the territories, and many constraints and restrictions, stemming not only from the Israeli authorities, continue to prevent Palestinian businesses from developing export markets. Moreover, the economy continues to suffer from frequent curfews, many days of strikes declared by various Palestinian religious or political factions, acts of violence and construction of road blocks on highways by settlers seeking to prevent workers from returning to their work places in Israel. The gravity of the economic situation and the concomitant rise in tension have prompted the civilian Administration responsible for the territories to take a number of measures to relax restrictions, including action to promote investment, grant licenses to create business and provide temporary tax exemptions for new businesses in an effort to attenuate some of the difficulties and to promote development. A few positive results, inadequate, of course, have been noted and the tax issue remains very serious and sensitive.

Under such circumstances (a very tense political situation aggravated by collective and mass deportations, a rise of violence, increased unemployment, no real results from peace talks initiated 18 months ago in Madrid, stagnation of economic development, bullying and administrative harassment from the authorities, etc.), what can be done? What help should be given in the face of such great need?

We know that emphasis must be placed on the economy, which means permitting endogenous economic development, simplifying the tax structure (so that, specifically, tax collection no longer lends itself to arbitrary decisions or injustice) and supporting assistance programmes designed to generate employment. The United Nations alone cannot accomplish such a task, even if many donors are disposed to offer the millions of dollars needed. The United Nations must do this with the help of the recipients, the Palestinians. Moreover, it is also important that on one hand the Israeli authorities place no obstacles in the path of these measures and show an openness of mind and that on the other hand, it is necessary to ensure a modicum of coordination. During the September 1992 conference at Brussels on the action of European NGOs, the need to coordinate the various activities which these organizations have undertaken to help the Palestinians was heavily underscored.

Of course, we must be ambitious and ILO is prepared to make its expertise and resources available to provide practical assistance to the Palestinians. Still, to achieve the stated goal, a cohesive and coordinated approach is necessary. There is no lack of good will or spirit of initiative when it comes to assistance for the Palestinian people, but since the activities are somewhat scattered and diffused, we must strive to unify and harmonize them. In this respect, the establishment of Palestinian technical committees in East Jerusalem under the central authority of a coordinator, Mr. Nusseibeh, represents a positive approach. Their task is to analyse the current situation and to consider future scenarios with a view to the making of specific proposals for the peace negotiations. This is a huge and complicated task and we must therefore encourage and assist them.

ILO has committed itself to developing its technical cooperation activities and will continue to do so working closely with UNDP and UNRWA. The experience in the field and the skills of these two institutions confers on them an authority in that area which cannot be gainsaid.

The search for peace through dialogue within the framework of the talks begun in Madrid must be accompanied by a real development strategy which allows every Palestinian to earn a decent living with dignity. If we wish peace to prevail in the region, we must also restore for the Palestinians the application of universal principles such as equity and justice and respect for basic human rights. These rights must accompany the economic development which is indispensable for the survival of the Palestinian people.

In conclusion, several points need to be emphasized: first, the economy must be given priority, and we must develop projects which generate employment and income; secondly, a reliable study of the social sector needs to be undertaken and statistics established (in this respect, ILO is looking into the possibility of organizing a seminar on statistics); thirdly, coordination between NGOs and between NGOs and the Palestinian interlocutors must be improved and on-site UNDP coordination accepted; and, fourthly, a basic education system dealing with human rights and civil rights must be established. ILO is continuing its activities in the area of worker and trade union education and is also organizing a seminar for employers. As things stand today, it seems that these are efforts which could be continued. Afterwards, we should also consider implementation of an equitable and cohesive social security system, the updating and application of labour legislation, the development of harmonious professional relations and many other improvements yet to be worked out.

We all, in our respective areas, have much work still to do. None the less, as can be said about Eastern Europe, those whom we are helping (that is, the Palestinians) will reap no benefit unless we genuinely coordinate our efforts and work together. Effective aid can be brought only if the approach is coherent and sensibly defined and has a clearly stated objective, established, first and foremost, to serve the interests of the population.

Mrs. Soussan Raadi-Azarakhchi
United Nations Centre for Human Rights

The human rights situation of the Palestinians and other Arabs of the occupied territories is a subject of serious concern to the international community, which the United Nations human rights bodies have been considering for more than 20 years.

So far the hopes placed in the peace negotiations in progress since October 1991 with regard to the creation of a climate of mutual trust such as to promote human rights and fundamental freedoms have unfortunately come to little. On the contrary, the present situation, characterized by a resurgence of violence and repression, demonstrates an alarming deterioration in the living conditions of the Palestinians and renders all the more necessary the purpose of the present seminar, namely to reinforce assistance to the Palestinian people.

The occupation is in itself one of the most flagrant violations of human rights, seriously harming the cause of peace and security in the region and inflicting great physical and psychological suffering on the population concerned. The provisions of the Fourth Geneva Convention, the main instrument of humanitarian law applicable to the occupied territories, continue to be violated, and the Israeli occupying forces ignore the relevant provisions of the Universal Declaration of Human Rights and the International Covenants on Civil and Political Rights and on Economic, Social and Cultural Rights, even though Israel recently acceded to them. In addition, Israel, a State party to the International Convention on the Elimination of All Forms of Racial Discrimination, to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment and to the Convention on the Rights of the Child is also required to carry out the obligations deriving from those conventions. In fact, many provisions of these various international human rights instruments have in practice been frequently ignored or violated in the occupied territories. This is clear, in particular, from the consideration in 1991 of the periodic reports submitted by Israel to the Committee on the Elimination of Racial Discrimination; in its conclusions the Committee reiterated that the Israeli Government had implemented neither the Fourth Geneva Convention nor the International Convention on the Elimination of All Forms of Racial Discrimination in the occupied territories, and it expressed great concern regarding the situation in the occupied territories.

Concern regarding the human rights situation of the population of the territories occupied following the hostilities of June 1967 led the General Assembly to establish a Special Committee to Investigate Israeli Practices Affecting the Human Rights of the Palestinian People and Other Arabs of the Occupied Territories in December 1968. Although the Committee was prevented from its inception from having access to the occupied territories owing to a lack of cooperation by the Israeli Government, it has nevertheless always endeavoured faithfully and fully to reflect in the reports which it submits regularly to the General Assembly the realities of life in the territories in terms of the human rights of the civilian population. In order to do so, the Committee bases itself on information gathered directly from persons with direct experience and knowledge of the situation, or taken daily from articles appearing in the Israeli press or the Arab press in the occupied territories.

Over the years, the human rights situation has steadily deteriorated, as emerges from the conclusions of the twenty-fourth report of the Special Committee submitted last November to the General Assembly at its forty-seventh session. The Israeli authorities continue to repress the popular uprising, justice is administered arbitrarily, and collective punishments with serious social, economic and cultural consequences are applied.

With more particular reference to the economic and social situation, the Special Committee has noted the serious affects of the illegal policy of establishing settlements. Israel persists in imposing its laws, its jurisdiction and its administration in the occupied territories, thus violating its obligations as a State party to the Fourth Geneva Convention, under which military occupation gives the occupying Power no right whatever over the territorial integrity of the territories occupied. The creation of settlements and related measures such as diverting watercourses, uprooting trees, destroying fields, nationalizing land and proclaiming off-limit military zones seems to indicate a deliberate desire to make the living conditions of the Palestinians and other Arabs of the occupied territories extremely difficult and to induce them to leave their homeland.

In addition, the collective punishments systematically applied in violation of the Fourth Geneva Convention have seriously undermined the human rights situation. Houses built without permission, and particularly those belonging to detainees, have been demolished, frequently leaving numerous families in a very precarious situation. Sometimes the occupants are even obliged to pay for the bulldozers which demolish their own houses. Lengthy curfews and severe restrictions on entry to Israel have serious consequences for the economic and health situation of the population. The intolerable fiscal policy, in particular the very heavy income taxes imposed on Palestinians and other Arabs, have forced many enterprises and businesses into bankruptcy or closure. These various measures have deprived numerous families of their livelihood. The situation has been further aggravated by the economic effects of the Gulf war, and as a result many residents of the occupied territories have been reduced to near penury.

The situation is also disturbing where education is concerned. The high level of education which was the pride of the Palestinian people has suffered from the prolonged closures of universities and other educational establishments. These establishments also suffer from a drastic shortage of premises and equipment; in addition, the Israeli authorities have refused to recognize diplomas for off-campus studies issued by the officially closed universities, even when such diplomas are internationally recognized.

In the conclusions of its twenty-fourth report to the General Assembly, the Special Committee reaffirmed the need for a comprehensive, just and lasting settlement of the Arab-Israeli conflict.

Pending a negotiated solution, it recommended the implementation of urgent measures that would safeguard the basic rights of the Palestinian people and other Arabs in the occupied territories, and in particular the application by Israel of the relevant provisions of the Fourth Geneva Convention; the full compliance with all relevant resolutions of the Security Council, the General Assembly and other United Nations bodies; support for the activities of the International Committee of the Red Cross and of the United Nations Relief and Works Agency for Palestine Refugees in the Near East in the occupied territories, and the creation of conditions of confidence and security conducive to the promotion and observance of human rights.

Other United Nations human rights bodies regularly deal with the situation in occupied Palestine. For instance, the Commission on Human Rights and the Sub-Commission on Prevention of Discrimination and Protection of Minorities consider the issue of human rights violations in the occupied Arab territories, including Palestine, every year. At its latest session in February-March 1993, the Commission adopted a number of resolutions on this subject, expressing its serious concern with regard to the sufferings of the population of the occupied territories. The Commission severely condemned Israel for its serious violations of article 39 of the

Fourth Geneva Convention in deporting Palestinians and referred in particular to the recent expulsion of over 400 Palestinians in December 1992. In condemned the policies and practices of Israel, and "in particular, such acts as the opening of fire by the Israeli army and settlers on Palestinian civilians that results in killing and wounding them, as has happened continuously since the eruption of the Palestinian people's intifadah against Israeli military occupation; the imposition of restrictive economic measures; the demolition of houses; the expropriation of houses ...; the ransacking of property belonging individually or collectively to private persons; collective punishment; arbitrary and administrative detention of thousands of Palestinians; the confiscation of the property of Palestinians, including their bank accounts; the expropriation of land; the prevention of travel; the closure of universities and schools; the perpetration of crimes of torture in Israeli prisons and detention centres; and the establishment of Jewish settlements in the occupied Palestinian territory". The Commission decided to appoint a Special Rapporteur to investigate Israeli violations of the principles and bases of international law, international humanitarian law and the Fourth Geneva Convention, to receive communications and to hear witnesses, and to report to the Commission, with his conclusions and recommendations, until the occupation by Israel comes to an end.

The activities to which I have briefly referred form part of the efforts to enhance awareness in and increase mobilization of the international community with a view to seeking a solution to the tragedy which the Palestinian people is experiencing and ensuring protection of their basic rights. In order to avoid any deterioration in the already dramatic situation in the occupied territories, further efforts are necessary, and it is here that the seminar, with its emphasis on needs with regard to economic and social assistance to the Palestinian people in occupied Palestine, has an important role to play.

As the discussions at this seminar have shown, many activities have been undertaken in the United Nations context to attempt to mitigate the serious difficulties confronting the Palestinians in the occupied territories by providing them with assistance in a number of areas. In the immediate future, in view of the urgency of the situation and the serious nature of living conditions in the occupied territories, it is essential, as a matter of priority, to define the means of consolidating and implementing the economic and social assistance projects which are crucial for the Palestinian people. However, and in the hope that despite present difficulties a negotiated solution may be envisaged as a result of the peace process initiated in Madrid, it may be useful to conclude with a brief reference to the machinery set up by the United Nations human rights programme to promote and strengthen respect for human rights and fundamental freedoms.

Advisory services and technical assistance in the field of human rights provide an appropriate long-term framework for reinforcing the national institutions responsible for protecting and promoting human rights, developing appropriate legislation, strengthening judicial institutions or contributing, by means of training courses and other educational measures, to propagating a genuine human rights culture. The advisory services and technical assistance programme of the Centre for Human Rights also aims at making the principles and basic texts regarding human rights more familiar, in particular through the non-governmental organizations and society in general.

Recent international developments have given rise to an unprecedented increase in Government requests for advisory services and technical assistance. In order to cope with these growing needs, the Centre for Human Rights has developed a new approach, particularly as regards training activities under the programme. Training courses have now been adapted to the specific needs of the categories involved and thus meet their specific concerns so as to enable them better to integrate general human rights principles into the activities associated with their particular responsibilities. With the collaboration of other interested bodies, the Centre is also preparing instruction manuals for the preparation of model projects for the training of police officers and officials responsible for the administration of justice, assistance in electoral matters, and the protection and independence of the judiciary.

In conclusion, I would like to express the hope that the work of this seminar, which supplements the numerous efforts and activities undertaken under the auspices of the Committee on the Exercise of the Inalienable Rights of the Palestinian People, will result in specific recommendation serving to ensure better protection of the rights of the Palestinian population and the other Arabs in the occupied territories.

Mr. L. P. Ludvigsen
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United Nations Centre for Human Settlements (Habitat)

Toward a national housing strategy for Palestine

1. Recalling the relevant General Assembly resolutions on the question of Palestine, in particular, resolution 42/190 of 11 December 1987 on the living conditions of the Palestinian people in the occupied Palestinian territories, the United Nations Commission on Human Settlements, at its thirteenth session (1991), requested the Secretary-General, in consultation with the Executive Director of UNCHS (Habitat) and in cooperation with the Palestine Liberation Organization (PLO), to devise a plan for the implementation of a shelter strategy for the Palestinian people to the year 2000. Such a shelter strategy was annexed to the report of the Executive Director on Housing Requirements of the Palestinian People, presented to the Commission at the same (thirteenth) session.

Housing development strategy

2. The proposed shelter strategy, "A Proposed Housing Development Strategy for the Palestinian People" was based on the Global Strategy for Shelter to the Year 2000. In the preparation of the shelter strategy as well as of the implementation strategy, UNCHS (Habitat) engaged the services of independent expert consultants, including some residing within the occupied territories, to assist in its preparation.

3. The assessment of housing needs of a future Palestinian State suggested that the problem of providing shelter is one of great magnitude. Because of the lack of information on such important matters as the structure of government machinery in a new State, size and distribution of incomes, land-tenure system, cultural values and the macro-economic and development policies and priorities of the new State, it was only possible to sketch out the broad outlines of a housing development strategy to provide a framework for the elaboration of shelter programmes.

4. In view of the considerable degree of overcrowding and a relatively low level of provision of household facilities in the occupied territories, the objectives of a housing development strategy was stated as follows:

(a) Improvement of housing conditions of current residents of the occupied territories through provision of enough housing to lower the room densities and through increased provision of household facilities;

(b) Provision of adequate housing at acceptable standards for returning Palestinians;

(c) Provision of adequate infrastructure and services to facilitate and support the expanded housing programmes;

(d) Ensuring adequate provision of housing for the low-income population among the current residents as well as among the returnees.

5. The issues concerning availability of finance for the projected housing was not dealt with in the study due to the lack of relevant information.

6. A spatial development strategy was seen as a crucial initial step in the formulation of a strategy for the absorption of the expected immigrants. Only a very broad outline of a settlement pattern was presented to guide the provision and location of services and infrastructure.

7. In order to achieve a more balanced and functionally coordinated settlement pattern, the proposed strategy aims at achieving the following:

(a) Integrated development of all sections of the State;

(b) Prevention of excessive development of the central mountain-ridge axis;

(c) More efficient use of existing natural resources;

(d) Development of settlement classes tailored to the needs of all sections of the population;

(e) Comprehensive development in a number of priority areas timed to be mutually reinforcing and supporting;

(f) An intensive rural development programme aimed at providing rural service centres for pioneering agricultural settlements.

8. Since the structure, organization and institutions of the government of a new Palestinian State are unknown, and in view of the difficulty in anticipating the structure, roles and responsibilities of local governments as well as the nature and types of private- and public-sector institutions that will develop with the creation of a new State, the role of government in the housing development strategy of the State was only indicated in very broad terms and in terms of options to provide a framework for the formulation of shelter programmes.

9. As one of the first steps to be taken towards the provision of adequate housing, a Government would have to prepare a policy for human settlements which would determine the size, distribution and growth of human settlements within the State. Centres identified for growth would be the appropriate settlements for the absorption of returnees and, thus, such a policy plan would guide government in determining the type and location of infrastructure to support settlement development and housing. Structure plans would also be needed to provide guidance on the location of activities within settlements including the location of residential areas.

10. The magnitude of the problem in the provision of adequate housing requires that the task be entrusted to a central agency to be responsible for the design of policies, setting of targets and standards, mobilization of resources, monitoring and evaluation of projects and of the total housing situation, and coordinating the efforts of government ministries and other actors, public and private.

11. The shelter strategy proposes various initiatives, designed to create a suitable climate for the provision of adequate housing, areas such as land, housing finance, development of local building materials, legal framework and the role of the private sector in housing provision.

Towards a national housing strategy for Palestine

12. In pursuance of the Commission on Human Settlements resolution at its thirteenth session, a plan for the implementation of a shelter strategy for the Palestinian people to the year 2000 has been prepared by an expert consultant from within the occupied territories and the report will be presented to the Commission at its fourteenth session which takes place in Nairobi, 26 April to 5 May 1993.

13. The report provides a profile of the Palestinian housing sector including issues such as available housing stock and ownership situation, cost of land, construction materials and equipment, labour and infrastructure, housing institutions and housing finance and major constraints to the development of a Palestinian housing sector. Also, it attempts to estimate the housing demand and supply situation in view of the various uncertainties as to future size of population, i.e. the number of Palestinians that might return to an independent Palestine.

14. Thus, it is estimated that in the immediate post-independence period, as many as 250,000 to 350,000 housing units will be required to satisfy the demand arising from the natural increase of the population, the return of 250,000 to 750,000 Palestinians, the improvement of housing conditions of refugee camp residents and replacing the deteriorating housing units within the existing stock.

15. The Global Strategy for Shelter to the Year 2000, which is the guiding instrument for national and international action in housing activities for the remaining years of this century and beyond, urges the public sector to assume the role of enabler so that low-income groups can have access to housing, as well as to credit facilities that would enable these groups to purchase, construct or improve their shelter units.

16. In formulating the future housing delivery mechanism for Palestine, it will be essential to capitalize on the existing capacity and to assess the potential for expanding this capacity by improving the efficiency of the existing institutions and encouraging the creation of new ones which would be capable of effectively and economically contributing to the required delivery system.

17. As it is unlikely that Palestine will be able to meet the housing needs of low-income groups by public intervention alone, policy options that could increase the capacity of all participants in housing construction and delivery and promote public-private cooperation will become increasingly important, particularly during the initial period of independence. The policy options that should be tested must be capable of achieving the following objectives;

(a) Expanding the direct provision of housing especially for low-income groups;

(b) Increasing the institutional efficiency and responsiveness of housing delivery agencies;

(c) Lowering the cost of housing provision through changes in regulations regarding land use, building and the provision of services;

(d) Encouraging the co-provision and co-financing of housing by public agencies, the private sector and individuals; and

(e) Supporting the self-help and cooperative activities of low-income groups in housing provision.

18. The immediate tasks that have to be carried out under a Palestinian national housing strategy should aim at correcting the distortions within the housing sector that have resulted from the political, legal, financial and institutional constraints imposed by the occupation of Palestine and at providing an adequate housing delivery system based on an equitable distribution of resources and benefits among all income groups of the society.

19. A prerequisite for the timely delivery of the required housing units is the continuous supply of building materials, energy and other inputs at reasonable cost. Therefore, it is essential to promote the development of locally-produced building materials and to make the necessary arrangements for the import of those materials which cannot be produced locally.

20. The average number of housing units to be constructed annually is estimated at around 52,000. The timely and efficient delivery of these units will require a substantial increase in the available construction labour force, a significant improvement in its technical skills, and the adoption of appropriate construction technologies which utilize locally-available materials and allow speedy construction methods. Existing and new vocational training centres, polytechnic and engineering faculties should be encouraged to modify their curricula and introduce new training programmes to meet the human resources development required for coping with anticipated demand.

21. The above referred activities should be coordinated by a central body. Upon independence this body will be the Ministry of Housing. In the interim period, the tasks of this body may be carried out by a properly selected housing council supported by appropriate professional personnel in the areas of planning, administration, management and finance. Other organizations which may contribute to the implementation of housing programmes at the local level are municipal and village councils, housing cooperatives, and private sector development enterprises.

22. With regard to housing finance, it will be necessary to promote the utilization of personal savings for housing investments and to encourage existing and new financial and credit organizations to tailor their financing activities to meet the housing needs of all population groups and to reach out to those groups which are involved in housing activities in the informal sector. Plans for establishing a housing bank should be urgently initiated.

23. Finally, it is recommended that special attention be given to the preparation of town-planning and development schemes in accordance with a regional development plan and appropriate zoning legislation and regulations.

24. Given the scarcity of accurate and up-to-date data on the socio-economic conditions, in general, and on housing stock and household characteristics, in particular, an immediate priority for Palestine must be the initiation of a detailed assessment of the housing sector which should include:

(a) Surveying the economic, social and physical conditions in order to prepare a statistical inventory of the existing situation;

(b) Projections of housing needs and effective demand;

(c) Identification of the housing deficit and preparing a housing policy which is consistent with the availability of financial and other resources in both the public and private sectors;

(d) Investigation of existing land use and landownership in order to help formulate a national land policy.

25. Several other studies are necessary to complete the development of a national housing strategy for Palestine. The extent and scope of these studies may have to be much wider than those required for other countries, due to the absence of indigenous governmental agencies which would normally provide substantial information for such studies. In the case of Palestine, most of the available data are based on official Israeli statistics and those which are compiled by Palestinian research institutions or individuals are either limited in scope or require substantial verification.

26. The creation of a sound database is essential for the development of a national housing strategy. The creation of the proposed database requires the consideration of extensive surveys of housing delivery systems, residential land analysis, land and housing taxation, housing finance, landlord-tenant legislation, urban and rural housing stock, household income and affordability, construction materials and technologies and institutional capacity in the housing sector.

27. The three areas in which action is recommended are the development of a national housing strategy, the establishment of a housing finance system and enhancing the institutional capacity with respect to housing finance and production. The three areas are intimately inter-related, and efforts should proceed simultaneously in each of the three areas.

Developing a national housing strategy

28. The first step in preparing a housing strategy would be the creation of a housing strategy committee, responsible for drafting a housing strategy document. The proposed housing strategy would suggest ways and means by which the Palestinian people could develop housing within the constraints of the existing environment. It would be formulated to work, to the extent possible, within those constraints and the lack of Palestinian housing policy, regulatory agencies for the housing sector, finance institutions and housing institutions. One of the results would be a guideline for Palestinian organizations and individuals who want to invest in housing. In addition, the process of preparing the strategy will help to identify the need and lay the groundwork for the Palestinian institutions that will eventually be responsible for the housing sector in independent Palestine.

Establishing a housing-finance system

29. This recommendation addresses a threshold need, that in Palestine there is no appropriate institution that can be the focal point of housing-finance efforts for Palestine and the recipient of significant grant funds; and neither is there a system by means of which savings can be mobilized and investments made in housing. This recommendation suggests several steps that would assist in the initiation of a housing finance system for Palestine.

30. It is recommended that the above referred housing strategy committee should consider the possibility of establishing a housing-finance agency, clearly defining its purpose, legal structure, organization, staffing, and operational and administrative aspects. When the Palestinian Housing Bank, which mobilizes deposits, is established, the finance can be combined with or merged with the Bank to provide the loan organization and servicing capacity needed for any housing investment of the Bank's investable funds.

Developing institutional capacity

31. It is recommended that a diverse system should be developed so as to be capable of responding to diverse needs and preferences and that institutional capacity, both financial and productive, be developed modestly through the implementation of pilot projects. This approach will allow solutions to be tested with respect to affordability and acceptability and, at the same time, will allow various institutions to gain experience, to train staff and to develop technical expertise.

32. At the same time, as pilot projects are being initiated, a comprehensive set of training activities should be provided to a wide audience of participants in a private sector delivery system. The purpose of these activities would be to provide information to Palestinians involved in various aspects of the housing delivery process about approaches and techniques currently used in other countries, especially those targeting low-income groups.

Suggested housing institutions

33. Development of the housing sector in a way which will enable it to perform its task effectively and efficiently in the national reconstruction and development process requires the creation of an entire range of institutions which would form the backbone of the housing sector. The major institutions and their main functions are presented in the table below.

Suggested investment plan

34. The actual investment required for financing the major activities until the year 2000 can only be determined after in-depth studies have been conducted to identify the needs and requirements. However, an estimation of the initial investment is made on the basis of the projected level of activities that are required to perform the various tasks and the absorption capacity available in the country. It should be noted that private investment in housing is not included in the estimates and that the level of such investment is expected to reach approximately $8 billion during the planning period.

Suggested housing institutions and functions

Institution	Function
Ministry of Housing	1. Preparation of housing policy and national housing strategy. 2. Planning, supervising and monitoring public housing programmes for low-income groups. 3. Coordinating the activities of government agencies involved in housing delivery. 4. Coordinating and overseeing the activities of the public and private sectors. 5. Planning and administration of land-development activities for housing. 6. Encouraging local development.
Municipal and village councils (local government)	1. Preparing local development plans consistent with national strategy and priorities. 2. Implementing housing projects for low-income groups. 3. Provision of service and housing-related infrastructure. 4. Encouraging the private sector and local developers to invest in low-cost housing.
Institute of Standards and Specifications	1. Defining general and technical specifications for buildings. 2. Monitoring and testing locally-produced building materials to ensure that they meet minimum specifications. 3. Conducting research for improving housing quality and construction techniques.
Housing Bank	1. Mobilizing local and international financial resources to finance housing projects. 2. Providing financial credit for all income groups.
Land Bank	1. Providing credit facilities for land purchase for housing purposes. 2. Encouraging investment in land-development activities.
Industrial Bank	1. Mobilizing local and international resources to finance industrial development. 2. Providing financial facilities for building materials industries.
Credit and loan institutions	1. Mobilizing local financial resources through savings. 2. Providing loans for low-income groups for land purchases and building houses. 3. Providing small loans to buy building materials required for upgrading and maintenance of shelter units.
Housing cooperatives	1. Organizing and managing cooperative housing projects. 2. Mobilizing funds for constructing housing units for cooperative members.
Real-estate developers	1. Mobilizing financial resources for investment in developing land and building housing units. 2. Providing housing for the moderate-income and some of the low-income groups.
Engineering design firms	1. Preparing plans, detailed designs, and tender documents for housing projects. 2. Supervising the implementation of housing projects.
Construction contractors	1. Execution of housing-construction activities. 2. Participating in the construction of housing-related infrastructure.

35. Estimated investment requirements for the major activities are given below:

Activity	Estimated cost ($ US millions)
Background studies and surveys	2.5
Preparation of national housing strategy	1.5
Education and training programmes	25.0
Research and development programmes	5.0
Development of local construction materials	7.5
Home improvement and upgrading projects	50.0
Core-house-construction projects	200.0
Public housing construction projects	2000.0
Housing land development projects	50.0
Housing institutional development	25.0
Preparation of town-planning schemes	5.0
Total	2371.5

Mr. Hassan Shawareb, Programme Officer
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United Nations Children's Fund (UNICEF)

(A copy of Mr. Shawareb's presentation was not available at the time of publication of this report.)

Mr. Hassan Shawareb stressed that in the case of the occupied territories, his organization's programme had witnessed major progressive changes in the programme implementation and management in order to develop a more competent response to the increasing needs of the Palestinian children and women in the West Bank and Gaza Strip. A staff member based in East Jerusalem was in charge of the operations. Local Palestinian expertise ensured a more realistic insight of the needs and necessary procedures. In 1992, a three-year programme started, where, for the first time, the West Bank and the Gaza Strip had been treated by the Board as a country programme, representing an increase in commitment to Palestinian children. In the first year of the programme, substantial resources had been invested in assessment, planning and testing at the pilot stage, a requirement prior to scaling up activities at the national level.

UNICEF programmes in the field of primary health care, basic education, childhood disability and rehabilitation were carried out in close cooperation with the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) and local Palestinian non-governmental organizations, in coordination with the United Nations Development Programme. Emphasizing the need for interagency cooperation and complementarity, he referred to the joint UNICEF/UNRWA physiotherapy project for Palestinian children physically affected by the intifadah as an excellent example of cooperation.

Mr. S. Kazemi
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United Nations Conference on Trade and Development

The economic impact of prolonged occupation

The Palestinian economy in the occupied West Bank and Gaza Strip has witnessed significant structural changes over 25 years of occupation, reflecting in particular the severe impact of Israeli occupation policies and practices. As a result, the traditional sectors of the economy have gradually lost their impetus. Much of the rise in income and consumption realized since 1967 is attributed to the influence of factors external to the domestic productive base of the Palestinian economy itself. While increases in production, per capita income, living standards or other growth indicators have been at times discernable, these do not reflect the emergence of a sound basis for the structural transformation and sustained development of the Palestinian economy.

Prolonged occupation brought to bear upon the Palestinian economy a host of pressures which aggravated its development process, resulting in a steady decline in the role of traditional sectors of the economy without parallel encouragement or inducement to the modern sectors. The effects of occupation and its related measures were profoundly felt by the small, fragmented and unsophisticated Palestinian producers. They were simultaneously confronted with the challenge of competing on unequal and unprotected terms with the well-articulated, highly capitalized, technologically advanced and subsidized branches of the Israeli economy.

Despite the apparent real increases in output and income, the last 25 years have left the Palestinian economy under occupation with a chronic incapacity to generate more than two-thirds of national income and of employment from domestic sources. Local productive capacities have become unable to mobilize human resources otherwise absorbed by emigration or serving Israeli economic prerequisites. They already face increasing difficulties in accommodating the growth of the population and hence of the labour force. Much of the strength of local demand has been mostly absorbed by imported consumption goods, which lately accounted for more than half of GDP and for almost half of aggregate demand. The weakness of domestic output, coupled with strong, if not excessive, private consumption demand, has also meant that savings would have been negative were it not for external income which bolstered sources of consumption and savings. However, such savings have been mostly absorbed by private housing and construction, with little investment channelled into directly productive activities. All this has left the Palestinian economy with a distorted, unarticulated, and weak productive base unable to sustain its own population and provide an impetus for sustained growth and development.

These trends underscore the fact that under occupation there has been no link between the growth in income and domestic productive capacity. This missing link clearly explains the behaviour of the economy, especially after 1987 as the reduction of external transfers and of factor income from work in Israel and elsewhere have led to severe problems of unemployment and caused the economy to switch from a situation of growth to one of stagnation.

Developments in 1988 which ended the "legal and administrative links" between the West Bank and Jordan, aimed at "enhancing the Palestinian national orientation", posed at first new challenges to the fragile economy of the occupied Palestinian territory, as regards financing of social services, trade with traditional markets and institutional development. Meanwhile, the sanctions imposed by the occupation authorities in the wake of the Palestinian uprising since late 1987 have compounded the constraints that confront the Palestinian people in their effort towards achieving self-reliance. Measures enacted by the occupation authorities in this context have touched every aspect of Palestinian economic activity resulting in reduced consumption, investment, production and income in all areas. The impact of the recent crisis in the Middle East on the economy of the occupied territory was especially pronounced, registering further deterioration in domestic productive capacity and sources of income.

Palestinian initiatives, since 1987, at the grassroots level have strived to address some of the imbalances in the economy. They have successfully targeted import compression and attempted to reduce untenable conspicuous consumption, while also trying to encourage expansion in the productive base by absorbing labour and by giving consumer preference to local agricultural and manufactured products. However, local and regional events, Israeli reactions and countermeasures, and the contraction of external funding which could have helped to smooth the restructuring process, have meant that the overall economic losses suffered by the Palestinian economy remain important with few, if any, signs of imminent relief or recovery.

The mechanisms whereby the Palestinian economy could have been better articulated with the needs of the Palestinian people have been eroded over the past 25 years of occupation. While power over economic management has been assumed by the Israeli occupation authorities, the concomitant responsibilities and obligations have not been fulfilled. There are no appropriate indigenous Palestinian institutions with authority to examine development prospects and needs, and to influence the inter-play of forces affecting the growth and development of the economy by identifying priorities, designing strategies and providing guidelines for policy measures aimed at supporting indigenous efforts and promoting entrepreneurial initiatives. Consequently, individual and institutional initiatives, often based on ad hoc assessments of the situation and motivated by various (sometimes conflicting) considerations, have been unable to make much headway. At the international level, bilateral and multilateral activities have followed a similar disjointed approach, with little coordination to ensure the effectiveness of their impact.

UNCTAD's programme of work on the Palestinian economy

The UNCTAD secretariat undertook its first investigation of the economy of the occupied Palestinian territory in 1979. This was subsequently intensified following UNCTAD resolution 146 (VI) which led to the establishment in 1985 of the Special Economic Unit (Palestinian people). Since then, in addition to annual reports submitted to the Trade and Development Board, several in-depth studies and other technical documents have been prepared on various aspects of the Palestinian economy in the occupied territory. In all these, the UNCTAD secretariat has tried to go beyond merely monitoring and analyzing the performance of the Palestinian economy. It has consistently identified problem areas and needs, and advanced feasible recommendations for action aimed at reviving the Palestinian economy. Within the frame of its mandate, it has also translated some of the policy findings and recommendations into concrete projects aimed at rendering technical assistance to the Palestinian people.

More importantly, in the light of the rapidly deteriorating economic and social situation in the occupied Palestinian territory and bearing in mind the urgent need for an integrated approach to the immediate revival of the Palestinian economy and prospects for its future development, the UNCTAD secretariat embarked in 1990 upon an action-oriented inter-sectoral project comprising three main parts. Part One of the project is intended to examine the current economic and social situation in the occupied Palestinian territory, development trends at the aggregate and sectoral levels, and impediments to sustained growth of the economy, with proposals for feasible measures needed for its revival.

Part Two of the project investigates probable future patterns of Palestinian economic and social development and their implications for feasible strategies and policy options on the aggregate and sectoral levels. The examination of different sectors and issues is extended under varying assumptions to consider alternative scenarios, including that of an independent and self-reliant Palestinian economy. Part Three of the project consolidates options, strategies and policies for ameliorating Palestinian economic and social situation and establishing a viable basis for the sustained growth and development of the Palestinian economy into the next century. Parallel with the preparation of 25 field studies on specific sectors and issues, each of which is structured along the above-mentioned approach, the UNCTAD secretariat also embarked upon the preparation of a study of a quantitative framework analyzing alternative future growth paths of the Palestinian economy in the West Bank and Gaza Strip.

The inter-sectoral project had enabled the UNCTAD secretariat to bring together the disparate strings of research into the Palestinian economic and social situation, problems and needs within a systematic and integrated pattern of investigation. Its findings are aimed first and foremost at promoting concerted action by the international community for the revival and sustained development of the Palestinian economy.

The major findings arrived at under part one of the project were last year discussed at a meeting of Palestinian and international experts associated with the project, as well as representatives of a number of international and regional organizations. Allow me to highlight three aspects of the findings and recommendations emerging from the research conducted on this part of the project which are especially pertinent to the deliberations of this seminar: First, with regard to the experience of international development assistance to the Palestinian people in the occupied territory; second, as pertains to some overall guidelines identified at the meeting of experts for immediate measures and assistance by the international community for the revival of the Palestinian economy; and, third, some salient features of future development prospects as identified under the quantitative framework prepared by the UNCTAD secretariat.

International development assistance to the occupied territory: a brief reflection

Since the Israeli occupation of the West Bank and Gaza Strip in 1967, assistance to the Palestinian people from a variety of external sources, i.e., Palestinian, Arab and international, has gradually increased. Indeed, today a range of multilateral, bilateral and non-governmental agencies are involved in project identification and funding in different sectors of the occupied territory. The experience of the international community over the past 25 years is certainly rich and worthy of in-depth analysis and discussion. However, here I wish to highlight a few points emerging from our investigation of the issue which could contribute to further improving the level and quality of assistance extended by the international community to the Palestinian people.

The inadequate and inefficient monetary and fiscal systems in the occupied territory do not permit the effective mobilization and allocation of domestic resources within both the private and public sectors. Much of the financial resource needs of the territory has had to be met through an increasing flow of external funds in the form of private and public transfers. Accordingly, international development assistance has accounted for an increasingly important share of national income since 1967, thus contributing to increasing demand for basic goods and services. However, the role of aid in promoting economic development, particularly in the industrial sector, has been limited. In other words, while aid has cushioned the population, through supporting a widespread network of charitable services, its contribution to increasing productive employment opportunities has been minimal, so far.

On the other hand, external aid to the Palestinian people in the West Bank and Gaza Strip has been faced with numerous obstacles which have reduced its impact and effectiveness. These have contributed to the widening of the gap between the high aspirations attached to aid and the actual achievement of desirable results. In addition to the constraints on economic development resulting from the application of military orders, the occupation authorities have exerted continuous efforts to channel aid through the offices of the civil Administration in the occupied territory. Another problem facing the flow of external aid and its proper allocation for the benefit of the Palestinian people has been insufficient coordination among donors, on the one hand, and among local Palestinian development agencies on the other. In general, while coordination and management of external aid continue to be areas of concern, the constraints encountered by donors in establishing priorities and in surmounting various obstacles to the delivery of aid are of an equally serious nature.

In general, the impact of international assistance on the Palestinian economy can be described, on the one hand, as positive in contrast with the situation that could have developed had the flow of external financial aid either been stopped or directed solely to projects which met the priorities adopted by the Israeli civil Administration. Its limitations should, however, be recognized, in the sense that so far, it has mainly resulted in providing "first-aid" assistance without effecting significant structural changes in the economy. Serious efforts were needed to effectively resolve these problems encountered at various levels thus enabling external assistance to play its vital role in promoting structural changes in the Palestinian economy and providing impetus for its sustained growth and development.

The revival of the Palestinian economy: some areas for immediate action

In order to assist in the immediate action to be taken at all levels, i.e., the Israeli authorities, the Palestinian people and the international community, the most urgent and feasible recommendations emerging from Part One of the project were adopted on a priority basis at last year's meeting of experts, held in Geneva. Two main considerations have guided the selection of the measures required: (i) to immediately deal with the pressing needs of the present situation, and, (ii) to prepare the ground for the systematic action required towards the long-term development objectives of the Palestinian society. It is important that these measures should not be construed as ultimate development goals which are predicated on factors such as the termination of occupation, the return to Palestinian control of land, water and other resources controlled by the occupying Power, and the removal of all restrictions on the right of the Palestinian people to make their own decisions with regard to their economy and its development.

In examining the immediate needs and corresponding measures required in a variety of economic and social sectors, it may be noted that the performance of a number of sectors, especially in the economy, suffer from a series of factors that are common to all. In this connection, six common issues may be identified: (1) legal framework; (2) institutional framework; (3) marketing; (4) employment; (5) finance; (6) technical and financial assistance.

With regard to the legal framework affecting economic activity, an immediate need was to provide the Palestinian people, their economy and institutions with protection in accordance with international law and the relevant United Nations resolutions. The Palestinian economy needed a new impetus to relieve it from the restrictions imposed by numerous military orders which have distorted its structure and performance over the past 25 years of occupation. The legal framework of the territory that provided it with rules and regulations governing various areas of the economy, including money and finance, taxation, planning and programming, protection of domestic production bases, trade and marketing, needs to be restored in both the West Bank and Gaza Strip and further developed to meet their immediate needs.

The colossal task of reviving the Palestinian economy and transforming its distorted structures requires placing special emphasis on the development of institutional capabilities in various areas of economic and social endeavours. One prominent requirement as regards institutional requisites, was the growing need for strengthening and developing existing Palestinian facilities in the West Bank and Gaza Strip involved in the compilation, processing, analysis and dissemination of data on the economy of the occupied Palestinian territory. As an initial step, efforts should be exerted by existing Palestinian data base facilities to coordinate work on the development of strategies and methodologies for data collection, processing, analysis and dissemination in order to optimize the use of limited resources and avoid unnecessary duplication. Until specific arrangements are made to meet the needs of different sectors, the task of data collection could be anchored at the Federation of Palestinian Chambers of Commerce and Industry which could be carried out in cooperation with Palestinian research facilities. In this connection, the relevant organizations of the United Nations system and the League of Arab States and its specialized agencies could actively participate in providing the technical support needed to enhance the development of a network of data base facilities in the West Bank and Gaza Strip.

In the area of trade, the issue of marketing was of special concern. Despite the existence of a number of institutions/facilities engaged in internal and external trade, there was a growing need for establishing and developing an adequate central facility capable of dealing with all aspects of the export sector in an integrated and coordinated manner. Meeting the need of the export sector was particularly pressing at present in order to enable Palestinian producers and exporters to benefit from existing export markets and the concessions that have been extended to the entry in these markets of certain Palestinian products that can compete with rival items in these markets. More specifically, such a facility could emphasize on the development of an integrated system of quality control, grading, selecting, packing and labelling as well as storage facilities meeting international standards. In this connection, the initiative of UNCTAD and the UNCTAD/GATT International Trade Centre (ITC) project document submitted to UNDP for the establishment of an "Export promotion and marketing centre" was envisaged to embody all the activities required in connection with the export of Palestinian products.

Palestinian trade with the Arab hinterland has been the weakest link in its external trade. This had further deteriorated since the crisis in the Middle East region. Efforts were needed to revive the historical trading relations with the Arab countries that once constituted vital trading partners. To that effect, it is suggested that Palestinian trading institutions should initiate, through the aegis of the League of Arab States and its specialized agencies, discussions with the countries concerned, with the view to facilitating and expanding the flow of Palestinian goods to these countries. In this connection, the unilateral concessions extended to Palestinian products from the West Bank and Gaza Strip under the Global System of Trade Preferences (GSTP) among developing countries members of the Group of 77 as well as the inter-Arab trade arrangements could be advantageously exploited.

There is a pressing need to improve the existing transport infrastructures, including cold storage facilities. Palestinian municipalities could assist in this respect by furnishing the necessary infrastructure and help build up an efficient transport system to facilitate the movement of goods. The administrative and other procedures governing external trade are in dire need of being streamlined so as to facilitate smooth and rapid flow of goods to and from the occupied Palestinian territory. As a major step in this connection, it is necessary that Israeli restrictions imposed on the external trade of the occupied Palestinian territory be lifted, both as regards direct importation from abroad (including from Jordan and Arab markets) as well as direct access to different overseas export markets.

An equally crucial concern was the development of human resources with emphasis on investment in requisite areas of education, health and nutrition. An immediate pressing need was to deal with the rapidly growing unemployment situation, which has been aggravated especially as a result of the return of Palestinian workers from the oil-producing countries and the reduction in the number of Palestinian workers employed in Israel. As a first step, it is suggested that an attempt be made by relevant Palestinian institutions to ascertain the exact number of the unemployed returnees, their qualifications and experiences. The expertise that returnees (from Arab countries or former workers in Israel) have acquired could be crucial in initiating new industries and businesses, thus turning their negative unemployed situation into a positive factor. Parallel to these efforts, the relevant Palestinian institutions should develop and conduct appropriate workshops and training programmes aimed at facilitating the absorption of the unemployed in the relevant areas of the Palestinian economy. The Chambers of Commerce and Industry and Palestinian trade unions could serve as appropriate mechanisms in developing and initiating such activities.

It is necessary to place more emphasis on employment generation projects in both the West Bank and Gaza Strip, such as agro-based industries, housing, welfare and social services facilities, infrastructures, industries and tourism, and other labour intensive activities. It is also noted that the structure and orientation of both formal and informal system of education are in urgent need of reform. Improving the orientation and quality of education and training in public schools and vocational institutions should also help reduce structural unemployment.

With respect to the issue of finance, the pressing needs of the Palestinian economy for the effective mobilization and allocation of resources, both domestic and external, call for urgent measures to be taken. The limited action taken so far has made hardly any impact on the growing needs of the Palestinian economy, whose revival calls for financial resources to be made available in sufficient amounts to all sectors. As a first step, the Israeli occupation authorities could further relax the restrictions imposed on the Palestinian banking and financial system. More local Palestinian banks and financial institutions, including insurance companies, should be reopened and permitted to fully engage in financial resource mobilization and intermediation, thus adequately serving the commercial sector.

Increases in domestic production, specially in agriculture and industry, required, inter alia, the establishment of appropriate financing mechanisms. Appropriate credit and loan institutions should be developed to help mobilize and allocate resources to productive sectors. Efforts should also be initiated to lay down the foundation of specialized credit institutions catering to the present and long-term capital needs of specific sectors. Palestinian institutions should seriously follow up on the UNIDO project proposing the establishment of an industrial development bank in the West Bank and Gaza Strip. The long-term capital requirements of many sectors also require a consolidated arrangement with the banking and financial system of the occupied West Bank and Gaza Strip. Efforts should be concentrated towards the establishment of a development finance facility, in line with General Assembly resolution 46/201. Her also, the assistance of relevant international organizations could be fruitfully solicited to design such a facility and to assist in its establishment.

Parallel to these efforts, attention should also concentrate on improving the quality of banking services to the Palestinian people. Action could be focused on improving the performance of the existing credit institutions by streamlining procedures and upgrading technical and managerial capabilities of their cadres. To the extent possible, branches of foreign banks should also be reopened so as to complement services of local credit institutions. This will not only facilitate and encourage the flow of external resources into the West Bank and Gaza Strip but will also have a positive influence on the performance standard of local credit and financial institutions. As an immediate measure, other forms of credit facilities should be seriously examined to meet working capital requirements, especially in new businesses. Specific savings and credit facilities are needed for the informal sector which has recently played a crucial role in promoting the self-reliance of the Palestinian economy. The experience and assistance of outside sources could be fruitfully solicited, and the experience of the existing small-scale credit institutions should be carefully examined to ensure optimal design and functioning of any new projects for the mobilization of domestic savings. In addition, the systems of taxation and public expenditures were in need of radical reform aimed at promoting private investment in productive sectors while at the same time ensuring that the benefits of growth and development effectively reached all sectors of the population.

In view of the gradual imposition of constraints on the Palestinian economy over the last 25 years and its recent deteriorating trend, technical assistance needs are clearly noticed in almost all sectors of the economy. Indeed, the in-depth sectoral studies commissioned by the UNCTAD secretariat for its inter-sectoral project include detailed and well-justified recommendations which deserve the serious scrutiny of those concerned. Ultimately, in order to effectively use such assistance, it is necessary to identify training, advisory, expertise and other needs in a consolidated and comprehensive fashion reflecting immediate and long-term overall and sectoral requirements for revival and development. The work achieved at UNCTAD and elsewhere in the United Nations system could provide valuable inputs to this process. Eventually, the proposed development finance facility could serve as an appropriate focal point mechanism for the preparation of a consolidated picture of technical assistance needs. In achieving the objectives outlined above, the international community could intensify its efforts to encourage Israel to facilitate the flow of technical assistance to the West Bank and Gaza Strip.

Future prospects

In the UNCTAD secretariat's parametric exercise aimed at outlining alternative development prospects of the Palestinian economy, several scenarios are developed, including projections of macro-economic performance up to and beyond the year 2000 under different assumptions regarding resource availability and use. The baseline scenario, which constitutes a "minimum intervention" scenario, addresses the question of what the consequences would be of a continuation into the future of the objective trends and behavioral patterns prevailing in the recent past. Conclusions under this scenario presented alarming deterioration of the economy under all its aggregate and sectoral indicators. The results were not only unacceptable but were unrealistic, as were those of a variant scenario which assumed that the impact of the disruptions of recent years could gradually disappear.

Consequently, a set of five alternative scenarios together with subvariants were developed representing a progression from the inviability of the baseline to more viable or "stable" scenarios as well as a progression from less feasible to more tenable scenarios from the point of view of policy measures. Under these scenarios, additional investment is assumed, with the increment of production allocated in different proportions to export promotion and import substitution. This proved effective in addressing the problem of the structural transformation of the economy, reducing external dependence and alleviating unemployment at the end of the envisaged period. Employment shortcomings are addressed while simultaneously the structural transformation of the economy is pursued. The dependency structure of the economy is reduced and over the longer term the need for external support is seen to decline.

The last two of these scenarios introduce an element of return migration into the territory, and hence higher population and labour force growth. Under these scenarios a more intensified programme of domestic measures and external support is required in order to bring down the levels of unemployment to under 10 per cent. Moreover, as the role of exports and their rate of growth is considered crucial for the success of these two scenarios, realization of export promotion policies also requires a supportive external environment, both regionally and at international level. In fact, what appears to be needed is a combination of vigorous domestic policies aimed at effecting fundamental structural transformation in the economy coupled with substantial external support. Neither domestic policies by themselves nor external support alone could result in a truly viable situation in the long term.

The scenario analysis underscores the magnitude and complexity of the challenges confronting the Palestinian economy now and in the years ahead. A necessary but not sufficient condition for success in meeting these challenges, of course, is an optimally designed and implemented set of policies for satisfying development objectives, bearing in mind the economic, political and institutional constraints surrounding future development prospects. While the timing and details of an appropriate policy package will also depend on the weights to be attached to different objectives, their identification must clearly await both the additional research and the reassertion of Palestinian control over policy measures. In the meantime, however, it is possible to identify several of the different kinds of problems and macro-economic policy needs revealed in the analysis of future prospects. Needless to say, dealing with these issues will require first and foremost a well-established institutional infrastructure capable of policy formulation, implementation and sound economic management.

First, there is clearly a need for infrastructural investments of various kinds, in some cases on a massive scale. Since many of these infrastructural investments are of the public goods type, they cannot all be accomplished by private sector activities. Such public investments, of course, have to be financed. While substantial proportions of such finance may be expected to come from external sources, very considerable efforts to raise (through taxation) the necessary revenues from within the resident Palestinian community will also have to be made.

Second, there is clearly a need to discourage domestic consumption in general and luxury consumption in particular and thereby to encourage domestic saving. This needs to occur in both the private and public sectors. Although the encouragement of certain forms and channels of domestic savings may require some incentives, including tax cuts, an enlarged and developed financial market with all its institutions may provide a more feasible approach to increasing domestic saving in both the private and public sectors.

Third, there is a serious need to encourage modernization and start-up investments by the private sector in productive activities located within the occupied territory. In order to do this without distortionary taxes and non-tariff barriers in trade, the exchange rate regime will have to be relatively free and outward-oriented. Such an exchange rate regime or policy will encourage both exports and the right kinds of import substitution.

Fourth, in view of the fact that the import requirements for infrastructural and other investments have been indicated to increase dramatically in future years, and the difficulties and uncertainties with respect to obtaining external financing in the present world economic environment, substantial efforts will have to be made to limit the size of the current account deficit to manageable proportions.

Fifth, since inflation can compound the difficulty of maintaining a stable and yet open and flexible exchange rate regime, and undermine the incentives for both private saving and financial intermediation, as well as making it difficult to maintain the real value of public sector savings, vigilance against, and quick action to deter inflationary pressures must be maintained.

Finally, there is the need for measures to encourage Palestinian workers to seek employment opportunities within their territory, at least when suitable opportunities are available there.

Mr. Roger Guarda, Special Representative of the Administrator Programme of Assistance to the Palestinian People United Nations Development Programme (UNDP)

I would like to thank you and the Committee on the Exercise of the Inalienable Rights of the Palestinian People for inviting UNDP to participate in this very important Seminar. Unfortunately, I do not have a prepared statement to distribute after my presentation here. The last few weeks have been rather hectic in the occupied territories and there was just no time to prepare anything in writing. However, I have committed myself to prepare a written document after the meeting and submit it to the Secretariat. This document will then be annexed to the report of the Seminar.

Like my colleagues who spoke before me, I will try to summarize as briefly as possible the various activities which my organization has been undertaking in the occupied territories itself.

As you know, the UNDP operations in the occupied territories started in September 1980 as the result of General Assembly resolution 33/147, adopted in December 1978. The time between the adoption of this resolution and the actual start of the operations was spent in delicate negotiations aimed at allowing UNDP to launch actual field activities in the territories. These negotiations involved all parties concerned, including the Palestine Liberation Organization (PLO). They led to a modus operandi which comprised several points.

The first point was that UNDP would provide technical assistance as well as capital assistance. This was unusual for UNDP which normally delivers technical assistance only. Secondly, the programme was to be implemented directly by UNDP itself and not by its normal United Nations executing agencies. Thirdly, all projects had to be the subject of consultations with all parties concerned including, of course, the PLO. One major problem at the time was that UNDP was not allowed to open an office in the occupied territories. Notwithstanding this serious handicap, we started our operations. A small office was set up in New York under the leadership of Mr. John Aulder, who is with us here today and who very ably put UNDP's Programme of Assistance to the Palestinian People on the road.

In 1986 we opened an office in Jerusalem. This changed dramatically the nature of our operations as well as its size. At the beginning the Programme had been very much oriented towards the sector of health and education and had mostly consisted in the provision of equipment and training. The opening of a UNDP office in the occupied territories had an immediate impact on the Programme as it led to a much deeper dialogue with the Palestinian community about its needs and requirements. From then on, UNDP broadened its areas of intervention to include the construction of social infrastructure especially schools, water supply and sanitation systems as well as the launching of economic and income-generation activities.

From a financial point of view, at the beginning of the Programme, expenditures did not go much higher than half a million dollars per annum. However, with the opening of the office, the volume of assistance started to grow rapidly, reaching a total delivery of $11 million in 1991.

At the end of 1991, after the Madrid peace conference, we thought that a new page in the history of Palestine had been turned and that UNDP had to adopt a new approach for its work here. I will come to that approach in a minute, but before that, I would like to give you briefly and as painlessly as possible, some details of the actual achievements of UNDP in the territories. I feel that this is necessary because, in a paper that was distributed yesterday, some doubts were expressed about the usefulness of our work there.

I have tried to categorize these achievements under various headings. The first one is economic development and income generation, the second one covers the social sector, the third one relates to infrastructure, and the fourth one is training.

In the field of economic development and income generation, in the Gaza Strip, we have built a packing and grading facility which can handle one ton of produce per hour. We have built for the fishermen cooperative, which groups all the fishermen in the Gaza Strip, an ice block factory, a fish market, and we have provided fishing equipment. To about 1,000 farmers of the Gaza Strip, we have provided modern irrigation equipment in order to optimize the use of water. We are also finalizing to construction of a citrus processing plant with joint funding from Italy and UNDP. The plant will process one third of the whole Gaza Strip citrus production. In the West Bank we have built an industrial zone and wholesale market. We have installed irrigation systems. We have built an agricultural laboratory which can analyze water, soil, leaves, olive oil and whatever else is required. In both the West Bank and the Gaza Strip, we have stimulated the private sector through lending programmes and management consultancies. In 1992, in order to mitigate the various series effects of the winter season, we provided agricultural inputs to some 4,500 farmers who otherwise would have been kept out of the production cycle.

In the social sector, UNDP built classrooms and other facilities for some 8,000 students. We provided equipment to vocational training centres, to primary schools and to secondary schools. In the health field, we equipped some 24 medical facilities with modern medical equipment. With Italian funding, we built a new wing at the Hebron Hospital, and we are soon going to expand the hospitals of Nablus and Beit Jala. We have also built laboratory facilities at the Arab College of Medical Professions.

In the infrastructure field, we have provided improved water supply facilities to over 100,000 inhabitants of the West Bank. In the sanitation field, through projects in Jebalia, in the Balata refugee camp and with Italian funding in Bethlehem, Beit Jala and Beit Sahour, we have built sewage systems for approximately 180,000 people. In the energy field we have provided electricity supply systems, independent from the Israeli grid, to some 45,000 people.

In the field of training, from 1980 to 1991, approximately 1,000 people benefited from UNDP training programmes. However, in 1992 alone, some 300 Palestinians went through UNDP training programmes, and in the first three and a half months of this year, 380 Palestinians have already undergone training organized by UNDP.

So this was a brief overview of UNDP's activities in the occupied territories.

With regard to the resources that UNDP has been utilizing in the territories, so far UNDP has committed some $40 million from its own funds to activities there. We have been able to also count on the strong support of some Governments. First in line comes the Government of Italy, which has provided us, so far, with $24.6 million. Then comes the Government of Japan who is providing us with $2.5 million per year. In addition, we have received contributions from the Governments of the United States of America, Jordan, Canada, Greece, Tunisia, as well as from the Arab Gulf Fund for United Nations Development Agencies. The total of additional contributions amounts to approximately $39 million. Thanks to these additional contributions, we have been able to deliver an annual volume of assistance ranging between $10 and $13 million. As a result, UNDP has now become one of the largest donors in the occupied territories.

As I mentioned earlier, the Madrid peace conference and the beginning of the peace process at the end of 1991 marked for UNDP a new beginning. We thought that the time had come to take a fresh look at how UNDP had been conducting its business. For example, we felt that the "project by project" approach, which had been ours until then, had to be replaced by a more programmatic one. To introduce this approach, we considered it essential to carry out a thorough assessment of the needs for external assistance in the occupied Palestinian territories. To this effect we contracted 17 local Palestinian consultants. Their detailed analysis of the socio-economic situation of the territories proved extremely useful for UNDP as it pointed to a number of areas which needed urgent intervention.

The main points were that there was a need to provide a lot of support in the field of institutional building and institutional strengthening. There was a need for management as well as technical training, on a much wider scale than donors had been providing for in the past. There was also a need to strengthen development support services which, to say the least, were only embryonic to the occupied territories. It was also pointed out that there were tremendous disparities between various groups of population, especially between the rural and urban populations, between men and women, and between the urban poor and the rich. Finally it was stressed that there was a need to adopt a more comprehensive approach to the water and sanitation problems, and that an environmental management concept had to be introduced into developmental assistance programmes in the occupied territories. At the same time, we were advised that a new development philosophy was needed for UNDP as well as for all other donors. The new philosophy was to focus external assistance on human beings rather than on physical infrastructure. Human beings had to become the main beneficiaries as well as the main actors of the development process.

When I described UNDP's achievements, you may have noticed our efforts to take into account some of these recommendations. The dramatic increase in the size of our training programmes is an example. As part of these same efforts to take into account the recommendations resulting from the needs assessment exercise, we decided to broaden and deepen our consultations with the local Palestinian community, in addition to the regular consultations with the PLO both in Amman and New York. We established contacts with the Technical Committee which are supporting the peace process, with the various higher councils, with the Palestinian Agriculture Coordination Committee, with the various women's organizations, with the Palestinian credit institutions, with the universities, in brief with the community as a whole. Our purpose was to promote a more participatory development concept

As this was developing, and as we were implementing this new approach, in October 1992, we had the visit of an independent mission which was to review UNDP's work in the occupied territories. This mission had been set up at the request of the UNDP Governing Council and the UNDP Administrator. It was led by the former Representative of the Netherlands to the United Nations, Ambassador Robert Van Schaik. After a thorough review of the situation in the territories and of UNDP activities, the mission basically endorsed the findings of our needs assessment exercise as well as the new philosophy and approach that we had adopted.

So, on that basis, we decided to proceed with the formulation of what we call our Programme Framework. This Framework is not a country programme, such as those we prepare for other countries. It only contains broad objectives to allow us, in the course of our consultations with the PLO and the local community to develop specific operational projects. This Programme Framework, the content of which I will describe to you in a minute, was presented to the PLO in New York as well as in Amman. The Framework was discussed with the leaders of the Technical Committees and, on the basis of the broad endorsement received there, we decided to proceed with its implementation.

The main components of the Programme Framework are the following:

The first objective has been called ambitiously "state building". The purpose we pursue under that heading is to offer our assistance to the Palestinians for the design of their future State structures and in the training of their future civil servants. Mr. Abu Ala mentioned yesterday the need to establish a public administration institute. This is certainly an endeavour which UNDP will be glad to support. The element of training will be extremely important in this part of our programme. The collection and analysis of the social and economic data, which will be needed for the future Palestinian authorities, will also be given a prominent data in the programme.

The second objective has to do with economic development and income generation. We will concentrate our efforts on three main sectors: agriculture, industry and trade. In the field of agriculture, we will try to strengthen the agricultural support services that are now being provided in a very limited fashion. We will help in agricultural research, education, training, extension and marketing. We shall try to strengthen the local Palestinian institutions which have been attempting to provide help in these areas in the past. In the industrial field we will continue our lending programme, in close cooperation with the existing Palestinian credit institutions. We will provide management advice and training to the existing enterprises and will teach potential entrepreneurs how to start successful new businesses. We will also carry out feasibility studies for new investments. In the trade field, we will support the Palestinian Trade Promotion Organization which has been established by the PLO with the assistance from the Government of the Netherlands. We will also assist the recently elected Chambers of Commerce in order to make them fully effective and in order to allow them to provide real backstopping to the productive sectors of the occupied Palestinian territories.

The third objective has to do with human development. Here, we come to one of the main problems that were pointed out to us by the needs assessment team: the disparities between various sections of the population, especially between urban and rural populations and between men and women. We plan to embark on a major programme of social infrastructure development in the rural areas with the full participation of the local communities. Important efforts will also be undertaken to strengthen the role of women in development, concentrating on areas such as income generation, training, education, and health.

The fourth objective relates to environmental management. We will try to support the various institutions that have been cropping up recently in the occupied territories through technical advice and training. We will also like to be of assistance in the coordination of these various institutions which, unfortunately are often competing among themselves for donor funding. This competition is not always conducive to the most appropriate use of the limited resources available. Finall UNDP will undertake, if funding is available, the construction or reconstruction of important urban social infrastructure.

UNDP has been trying to assume new roles in the occupied territories. One of these has to do with donor coordination. A lot has been said about coordination and I am proud to say that UNDP has done more than talk about it. At the end of October 1991, we organized in Jerusalem the very first donor coordination meeting ever. Present were 18 representatives of Governments and of five international organizations including the European Economic Community (EEC), UNRWA, UNICEF, the World Health Organization (WHO) and of course UNDP. In this meeting, there was wide support for the concept of coordination. However, it was also realized that full coordination is very difficult under the current circumstances and that consequently it was advisable to concentrate on what was feasible, namely a free flow of information between donors.

Three main lines of action were agreed upon. The first one was that UNDP was to carry out an annual survey of all assistance being provided to the territories. This was carried out and the first report was issued in April 1992 covering assistance in 1991. The second edition, covering the 1992 period, has just been completed. I have brought a few copies with me. They are available at the secretariat. I would like to mention, in passing, here, that the results of the survey are not very encouraging as to the volume of the aid being provided to the territories. In 1992, including all donors from whom we have received information, this unfortunately excludes the Arab Funds which did not provide us with the required information, the total volume of assistance provided to the occupied territories reached $166 million. This amount includes UNRWA's regular operating budget in the occupied territories. If we exclude these recurrent expenditures, we get to approximately $66 million. As you can see, there is a lot of work to be done in order to reach the target which Professor Sayigh mentioned to us yesterday. UNDP is definitely looking forward to working with the PLO to try and mobilize the balance of resources necessary for the development of the occupied territories.

The second line of action agreed upon was the setting up of a series of technical working groups. These technical working groups are specialized in agriculture, industry, education, health, water/sanitation and housing/infrastructure. They were set up by the end of 1991 and have been meeting on a regular basis. Although these are donor meetings, we have been inviting Palestinians to participate. At the last gathering, which took place in February and dealt with education and training, we had the pleasure of having in our midst representatives of the Technical Committees supporting the peace process as well as of the Higher Education Council. Both groups made presentations about the needs for external assistance in education and training.

The third line of action agreed upon was to try to set up a common socio-economic data-bank on the occupied Palestinian territories. As you know, the statistics that are available are not considered reliable. Some Palestinian institutions have been trying to collect and analyze data but in very difficult conditions. As a result, it was decided to set up a project aimed at strengthening Palestinian institutions active in data collection and to organize them into a network with UNDP support. We have been discussing this with the Palestinians concerned, as well as with the Government of Norway, which has accepted to co-finance the project with UNDP.

As you can see, UNDP has now set up a mechanism that allows donors to be informed of what other donors are doing or are intending to do in the future. However, to reach full coordination, a national development plan is needed. It is only with such a plan that coordination of external assistance can effectively take place. This is what all donors have been looking for and this is why we were so encouraged yesterday when listening to the presentation made by Professor Sayigh about the Palestine Development Plan. Hopefully, this plan will give the substantive focus we need for our coordination efforts.

With regard to other functions that UNDP has been trying to perform in the occupied territories, I would like to mention here the fact that we have progressively transformed our office in Jerusalem into a base for the United Nations system at large. Over the past few months, we have received not less than 15 missions from various United Nations organizations. We have facilitated the organization of several workshops funded by United Nations agencies. The UNDP office has also broadened and strengthened its substantive capacity. As I mentioned earlier, we have received close to $40 million from bilateral sources in order to implement specific projects. This has affected dramatically the nature of our operations. We have progressively expanded our implementation capacity and we now provide specialized, substantive services in the field of engineering, water supply and sanitation, agriculture, small-scale industry, women in development, economic development in general.

Now, I would like to refer to a very controversial issue which was referred to yesterday. It is that of our relationship with the occupying Power. This is a very sensitive point to many people, including ourselves.

We have been criticized for having failed to come to grips with the obstacles put to us by the Israeli authorities. Now, I would like to start by asking a question. That question is: Is there an occupation in the territories or is there not an occupation? If there is an occupation, and I think there is, that means that there is control, and when there is control, one has to deal with that control. UNDP has been dealing with that control now for 13 years and I feel that it has been dealing with it very effectively. We have been able to progressively reduce the control to the point where now the only contacts we have with the Israeli authorities are the indispensable ones. They are those that are required to obtain building permits. In any country in the world, nobody can build a school, a sewage system, or can drill a well without a building permit. Apart from having to obtain building permits, we are allowed to move pretty freely in terms of the type of assistance we provide. We may have problems due to bureaucratic red tape. These are often time consuming and frustrating, but in the end we manage to execute our projects and this is what counts. I understand that the relationship with the Israeli authorities has opened us to criticism. But then, anybody who does something is likely to be criticized by somebody.

I would like to close this presentation by quoting a famous United Nations peacekeeper, Sir Brian Urquhart, who said, "in the Middle East, no good turn ever goes unpunished".

Mr. Fouad J. Kanbour
Regional Office for West Asia
United Nations Environment Programme

UNEP ACTIVITIES AND ASSISTANCE TO THE PALESTINIAN PEOPLE IN THE OCCUPIED PALESTINIAN TERRITORIES

The activities and assistance of the United Nations Environment Programme (UNEP) in the occupied Palestinian territories could be divided into:

i) Activities implemented directly by UNEP

The environmental situation in the occupied Palestinian territories

Background

In 1987, the Governing Council of the United Nations Environment Programme (UNEP) adopted decision 14/11 entitled "The environmental situation in the occupied Palestinian and other Arab territories", requesting the Executive Director, within the mandate of UNEP, to provide within available resources, assistance to the Palestinian people and particularly to the municipalities of the occupied Palestinian territories.

This was to be done in collaboration with the United Nations Development Programme and in coordination with the Palestine Liberation Organization (PLO), in order to help them protect and improve their environment in the occupied Palestinian territories. The Council also requested the Executive Director to report to the Council at its fifteenth session on the environmental situation and the decision's implementation (see annex I).

The Executive Director recruited an experienced consultant who was familiar with the occupied territories, to carry out a preliminary assessment of the environmental situation in the occupied Palestinian territories. The consultant was admitted to Israel in January 1989 as a private tourist. In this capacity as a private tourist, the consultant was unable to have access to information, nor was he able to corroborate it. The Executive Director submitted the findings and conclusions of the consultant in his report to the fifteenth Governing Council meeting.

In 1989, the Governing Council adopted decision 15/8 which considered that the report of the Executive Director was inadequate and that it must be updated and the information it contained corroborated. This further required the formation of a group of consultants specializing in environmental problems, with a mandate to prepare a comprehensive report on the environmental situation in the occupied Palestinian and other Arab territories, making use of relevant data and information from sources provided by the population of those territories, as well as by the States and regional and international organizations concerned. The Council also requested the Executive Director to submit to the Council at its sixteenth regular session, a comprehensive report based on the findings reached by the group of consultants (see annex II).

The Executive Director recruited a group of experienced consultants specializing in environmental problems, with a mandate to prepare a comprehensive report on the environmental situation in the occupied territories. The group of consultants were unable to visit the occupied territories. Therefore, no data was officially received or collected from Israel outlining the Israeli position because none was sent. The consultants, however, were able to collect information and data from a wide range of sources that appeared to be reasonably authoritative. The finding of the group of consultants was submitted by the Executive Director to the sixteenth Governing Council session.

In 1991, the Governing Council adopted decision 16/13 entitled "The Environmental Situation in the Occupied Palestinian and Other Arab Territories", requesting the Executive Director to take measures and action n halting the environmental deterioration in the occupied Palestinian and Arab territories. The Council further requested the Executive Director to complete an up-to-date database of information on the environment in the occupied Palestinian and other Arab territories and report the progress to the Council's seventeenth session (see annex III).

Availability of environmental data

To implement this decision, a mission was sent to Egypt, the Syrian Arab Republic, Jordan and to the PLO headquarters in Tunisia. The mission was not able to visit the occupied Palestinian territories.

The objectives of this mission were to identify and compile information on the availability of existing environmental data for the occupied Palestinian and Arab territories and to provide guidelines for the establishment of an environmental information system (see Terms of Reference, annex IV).

A questionnaire was developed at UNEP headquarters and distributed to persons visited during the mission. This questionnaire was used to locate and identify the availability of environmental data. The mission visited 5 organizations in Egypt, 9 in the Syrian Arab Republic, 29 in Jordan and 3 departments at the PLO headquarters in Tunisia. The mission also visited UNRWA headquarters in Vienna. The organizations visited were a mixture of Government, non-government, United Nations organizations, as well as Palestinian sources.

Conclusion and recommendation

After collecting and analyzing this data, it was concluded that environmental data for the occupied Palestinian territories is scattered among a large number of sources in various formats, scales, geographic projection and different time-frames. However, this data is sufficient for preliminary assessment of the state of the environment and the changes that have occurred since 1967.

Although it is preliminary in nature, the mission recommended that the establishment of environmental information systems for the occupied Palestinian territories is a necessary first step for the assessment of the environmental situation. The mission also recommended that the establishment of an environmental information system should be at an institution within the occupied Palestinian territories with technical, financial and training support provided to the institution operating the system.

The report of the mission and its findings and recommendations will be discussed at the seventeenth session of the Governing Council of UNEP in May 1993.

ii) Activities implemented in cooperation with United Nations organizations, i.e. (WHO)

Training course on water supply, sanitation and health for environmental health officers working with the Palestinian people: Project No. FP/7101-87-03 (2796)

This project was funded by UNEP and implemented by the World Health Organization Eastern Mediterranean Regional Office (WHO/EMRO) via its Regional Centre for Environmental Health Activities (CEHA) in Amman, Jordan. The 25-month project started in 1989 and ended in 1991. It facilitated training in the control of pollution and environmentally sound management of environmentally-related diseases and to control such diseases more effectively in refugee camps and settlements. Over the long term, this training is expected to improve drinking water supplies, sanitation and food hygiene, especially with regard to controlling the diarrhoea and other water-borne diseases among refugees. This project was implemented in close collaboration with the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA).

The output of this project included the training of 36 Environmental Health Officers from the five UNRWA fields of operation in Jordan, the Syrian Arab Republic, Lebanon, West Bank and Gaza. A training manual on water supply and sanitation for Health in Refugee Camps was developed and was published in Arabic and English.

Promotion of environmental health and manpower development in Palestinian refugee camps (FP/9101-92-63 (3014)

Evaluating UNRWA's needs, it was recommended that a comprehensive manpower development programme for all 100 Environmental Health Officers of UNRWA should be carried out. A new project was developed (Phase II), which is being implemented by WHO/CEHA and funded by UNEP. The objective of this project is to facilitate training in pollution control and sound management of vector-borne and parasitic diseases. The long-term objective is to improve drinking water supply, sanitation and food hygiene, so as to contribute to the control of diarrhoeal and other water-borne diseases in Palestinian refugee camps.

iii) Activities implemented in cooperation with other organizations

At the twentieth Islamic Conference of Foreign Ministers held in Istanbul, Turkey in August 1991, the conference requested the Islamic Foundation for Science, Technology and Development (IFSTAD) to prepare and submit a report on the environmental problems of the occupied Palestinian and other Arab territories to the next Islamic Conference of Foreign Ministers.

In September 1991, a joint programming session between the Organization of Islamic Countries (OIC) and UNEP was held in Jeddah, Saudi Arabia. In this meeting, OIC/IFSTAD and UNEP Regional Office for West Asia (ROWA), were designated as focal points for the two organizations relating to environmental issues. One item in the memorandum of understanding between the two organizations calls for the preparation of a joint report on the environmental problems of the occupied Palestinian and other Arab territories. UNEP/ROWA recruited a consultant to gather all the information available and prepare the draft report on the above subject. Despite the scarcity of information available, the consultant was able to collect enough data for the joint OIC/IFSTAD and UNEP/ROWA report. This report will be submitted to the twenty-first Islamic Conference of Foreign Ministers in 1993.

ANNEX I

14/11. The environmental situation in the occupied Palestinian and other Arab territories

The Governing Council,

Guided by the purposes and principles of the Charter of the United Nations and the guidelines and principles of the international environmental law, particularly the Declaration of the United Nations Conference on the Human Environment, held in Stockholm in 1972, 1/ and the World Charter for Nature adopted by the General Assembly in 1982, 2/

Recalling relevant United Nations General Assembly resolutions, in particular resolutions 41/61 of 3 December 1986, on the World Disarmament Conference, and 41/181 of 8 December 1986, on assistance to the Palestinian people,

Taking into account the need to consider measures for the impartial protection of private and public land and property, as well as water resources, in the occupied Palestinian and other Arab territories,

Deeply concerned about the practices of the Israeli authorities, which include confiscating land and water resources, building settlements in the occupied Palestinian and other Arab territories, including Jerusalem, and uprooting trees over large areas, and their consequences for the Palestinian and other Arab population and for the agricultural production, economic and environmental situation in those territories,

1. Stresses the importance of Security Council resolution 465 (1980) of 1 March 1980, which was adopted unanimously, in paragraph 5 of which the Security Council determined that "all measures taken by Israel to change the physical character, demographic composition, institutional structure or status of the Palestinian and other Arab territories occupied since 1967, including Jerusalem, or any part thereof, have no legal validity and that policy and practices of Israel of settling parts of its population and new immigrants in those territories constitute a flagrant violation of the Geneva Convention relative to the Protection of Civilian Persons in Time of War, of 12 August 1949";

2. Deplores the carrying of such measures by Israel, in particular the confiscation of land and water resources, the establishment of settlements, and the destruction of trees and plantations in the occupied Palestinian and other Arab territories;

3. Requests the Executive Director, within the mandate of the United Nations Environment Programme, to provide, within available resources, assistance to the Palestinian people, and particularly to the municipalities of the occupied Palestinian territories, in collaboration with the United Nations Development Programme and in co-ordination with the Palestine Liberation Organization, in order to help them protect and improve their environment in the occupied Palestinian territories;

4. Requests the Executive Director to report to the Council at its fifteenth regular session on the environmental situation in the occupied Palestinian and other Arab territories;

5. Requests the Executive Director to inform the Governing Council at its fifteenth regular session about the implementation of this decision.

1/ Report of the United Nations Conference on the Human Environment (United Nations publication, Sales No. E.73.II.A.14 and corrigendum), chap. I.

2/ General Assembly resolution 37/7 of 20 October 1982, annex.

15th meeting
18 June 1987

ANNEX II

15/8. The environmental situation in the occupied Palestinian and other Arab territories

The Governing Council,

Guided by the principles and purposes of the Charter of the United Nations, as well as by the guidelines and principles of the international environmental law, particularly the Declaration of United Nations Conference on Human Environment, held at Stockholm in 1972, 1/ and the World Charter for Nature adopted by the United Nations General Assembly in 1982, 2/

Emphasizing its decision 14/11 of 18 June 1987, on the environmental situation in the occupied Palestinian and other Arab territories,

Recalling also the relevant resolutions of the Security Council, the General Assembly and the Economic and Social Council,

Having considered the report of the Executive Director on the environmental situation in the occupied Palestinian and other Arab territories, 3/

1. Emphasizes its concern over the practices of the Israeli authorities, which include the confiscation of land and water resources, the demolition of houses and forcible eviction of the Arab population, the establishment of new settlements in the occupied Palestinian and other Arab territories, including Jerusalem, the felling of trees over large areas and the use of health-impairing gases with hazardous environmental impacts for the Palestinian and other Arab populations, as well as for agricultural production and the socio-economic conditions of those territories;

2. Emphasizes also the fact that the sources of concern referred to in paragraph 1 above could not be monitored by one consultant alone, visiting the occupied territories in January 1989 as a private tourist more than one and a half years after the adoption of Council decision 14/11, and who, as stated in paragraph 2 of the report of the Executive Director, could not have access to information nor be able to corroborate it;

3. Expresses its regret for Israel's lack of co-operation by its failure to admit the consultant into the occupied Palestinian and other Arab territories to carry out his mission in his capacity as consultant from the United Nations Environment Programme;

4. Notes that the report of the Executive Director does not include any reference to the environmental situation in the Palestinian refugee camps in their occupied homeland or in the Syrian and Lebanese territories occupied by Israel, as requested in Council decision 14/11;

5. Considers that the report of the Executive Director is inadequate and that it must be updated and the information it contains corroborated, which requires the formation of a group of consultants specialized in environmental problems, with a mandate to prepare a comprehensive report on the environmental situation in the occupied Palestinian and other Arab territories, making use of relevant data and information from sources provided by the population of those territories, as well as by the States and regional and international organizations concerned;

6. Requests the Executive Director to submit to the Governing Council at its sixteenth regular session a comprehensive report based on the findings reached by the group formed in accordance with paragraph 5 above.

1/ Report of the United Nations Conference on the Human Environment (United Nations publication, Sales No. E.73.II.A.14 and corrigendum), chap. I.

2/ General Assembly resolution 37/7 of 28 October 1982, annex.

3/ UNEP/GC/5/Add.2.

ANNEX III

16/13. The environmental situation in the occupied Palestinian and other Arab territories

The Governing Council,

Recalling its decision 15/8 of 25 May 1989 on the environmental situation in the occupied Palestinian and other Arab territories,

Taking note with appreciation of the Executive Director's report on the environmental situation in the occupied Palestinian and other Arab territories 1/, several parts of which confirmed the deterioration of the environmental situation in those territories,

Expressing its concern over the impact of the military rule on the management of the environment and its natural resources in a way that hinders the pursuit of environmentally sound management,

Recalling also the relevant decisions and resolutions of the Security Council, the General Assembly and the Economic and Social Council,

1. Expresses once again its concern that the Israeli occupying authorities are persisting in their practices, which include confiscation of land and water resources, destruction of houses and forcible eviction and expulsion of the Arab population, the establishment of new settlements in the occupied Palestinian and other Arab territories, including Jerusalem, the felling of trees over large areas, and the use of health-impairing gases with hazardous environmental impacts for the Palestinian and other Arab populations, as well as for agricultural production and the socio-economic conditions of those territories;

2. Expresses its regret that Israel did not provide the information requested, which meant that a complete data base on the occupied Arab territories could not be prepared;

3. Stresses the need for Israel, the occupying power, to respond to the Council's decisions to enable the data base on the occupied territories to be completed in order to conserve the natural resources, halt environmental deterioration and reinforce the quality of life in those territories;

4. Stresses the need for Israel to bear its responsibility as the occupying power by taking the necessary measures to conserve the natural resources, halt environmental deterioration, protect the human environment and ensure the well-being of the citizens in the occupied territories, in accordance with the Charter and principles of the United Nations;

5. Requests the Executive Director, pending the achievement by the United Nations of a political solution to the question of the occupied territories, which, it is hoped, will occur in the near future, to take the actions and measures capable of halting environmental deterioration in the occupied Palestinian and other Arab territories and to provide the necessary assistance for protecting the natural resources in the area and for securing harmonious living conditions for the entire population;

6. Urges the international community to provide various forms of support and assistance for the implementation of this decision;

7. Requests the Executive Director to take all necessary measures to complete the data base of information about the environmental situation in the occupied Palestinian and other Arab territories and to follow up the implementation of the present decision and report on the progress made to the Council at its seventeenth session.

8th meeting
31 May 1991

1/ UNEP/GC.16/5.

ANNEX IV

TERMS OF REFERENCE

I. PRE-MISSION

Collect and study relevant information available at UNEP and devise a proper framework for the mission.

II. PURPOSE OF THE MISSION

The purpose of the mission is:

1. To identify available environmental data and information for the occupied Palestinian and other Arab territories. The mission will:

    - Compile information on the availability of existing data on human settlements, human health, natural resources, pollution, and human activities;
    - Identify the sources of these data and assess the methods of data acquisition;
    - Identify gaps in the available data;
    - Assess existing data formats for data exchange, and the capabilities for data storage and data processing;
    - Evaluate existing data sets and scales, for spatial data.

2. To provide recommendations for the establishment of appropriate environmental information systems for the occupied Palestinian and other Arab territories. With the information obtained under objective 1, the mission will attempt to:

    - Assess the usefulness of the establishment of environmental information systems for the areas of concern;
    - Devise the necessary technical steps towards the establishment and operation of environmental information systems;
    - Provide expert advice for selection of proper equipment;
    - Formulate the necessary financial, technical, and training support for the operation of the environmental information systems;
    - Identify potential mechanism and sources of funding for the implementation of the environmental information system;
    - Suggest options for the institutional frame and location of the environmental information system.

United Nations Educational, Scientific and Cultural Organization (UNESCO)

Information paper

The United Nations Educational, Scientific and Cultural Organization (UNESCO) provides assistance to the Palestinian people through a number of regular programme activities and special projects which include the following:

1. UNRWA/UNESCO cooperation programme

Under this programme, which was started in 1950, UNESCO currently provides staff (12 posts, P-4 through D-2 level) on a non-reimbursable loan to the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). They are assigned to the UNRWA/UNESCO Department of Education where they provide technical assistance and leadership to UNRWA's vast education programme, staffed by about 11,000 UNRWA personnel, virtually all of whom are Palestinians. The scope of the education programme, detailed in annex I, is as follows:

(a) A target population of 398,000 Palestine refugees attending over 640 schools and 8 training centres in the host countries of Jordan, Lebanon and the Syrian Arab Republic, as well as the occupied territories of the West Bank and Gaza (about 149,000 of clients reside in the occupied territories);

(b) An elementary and preparatory education programme following the curricula of the host countries and covering the grades for which education is compulsory in the host countries (grades 1-9 or 1-10);

(c) A two-year post-secondary vocational training programme and a two-year post-secondary technical education programme covering over 40 courses (e.g. auto mechanics, business (office practice), employing syllabi developed by UNESCO and UNRWA staff;

(d) Short-term training courses, which will be established in the occupied territories during academic year 1992/93, covering titles such as assistant lawyer and fuel injection mechanic;

(e) A post secondary teacher-training programme offered via an educational sciences faculty to be established in 1993 at the Ramallah training centres (West Bank) and Amman Training Centre (Jordan) where two-year teacher-training programmes had been offered from the 1960s through 1992.

(f) An UNRWA/UNESCO Institute of Education in Amman, Jordan, linked to five UNRWA education development centres (one per field), responsible for curriculum development and enrichment, in-service teacher training (over 20 courses per year) and educational research and testing.

A priority area in this programme is the development and/or improvement of self-learning materials, diagnostic testing, and remedial measures to help compensate pupils and teachers in the occupied territories for the severe losses of classroom time sustained since the onset of the intifadah in December 1987.

UNESCO's contribution to the cooperative programme also includes fellowships, educational equipment and textbook review services (all textbooks used in UNRWA schools must be reviewed and approved by UNESCO).

2. Monitoring of the functioning of educational and cultural institutions in the occupied Arab territories

In conformity with the resolutions and decisions of UNESCO's governing bodies, UNESCO monitors the functioning of educational and cultural institutions in the occupied Arab territories, which include the West Bank, Gaza and the Syrian Golan. Recent activities in this regard pertain to *26 C Resolution 16* of the 26th General Conference of UNESCO, and to the decision of the Executive Board, in its 139th session (139 EX/Decision 4.3.1), which invited the Director General:

- To continue his efforts to secure implementation of UNESCO's decisions and resolutions concerning educational and cultural institutions in the occupied Arab territories;

- To launch an appeal to the international community, at governmental and non-governmental level, and to the international organizations concerned, for voluntary contributions in order to make good the deficit in the operating budget of the Palestinian universities caused by the protracted closure of those institutions and the current situation.

At Executive Board sessions, such as the forthcoming 141st session, and at UNESCO's General Conference, the Director General reports on developments, issues and concerns which have emerged through UNESCO's monitoring activities, concerning educational and cultural institutions in the occupied territories.

3. UNITWIN project to benefit Palestinian universities

In September 1992, representatives of UNESCO and of the Steering Committee of the Palestinian European Academic Co-operation in Education (PEACE) programme signed a cooperative agreement under which six Palestinian universities will be linked to 12 European universities:

- The 6 Palestinian universities are Al-Quds (Amman, Jordan); An-Najah National, Bethlehem, Birzeit, Hebron (West Bank); Gaza Islamic (Gaza);

- The 12 European universities are Barcelona, Granada, Salamanca (Spain); Coimbra (Portugal); Krakow (Poland); Leiden (Netherlands); Leuven, Louvain-la-Neuve, Namur (Belgium); Pisa, Siena, Viterbo (Italy).

Activities will include twinning, staff exchanges, and fellowships. UNESCO has contributed $16,000 in seed money for this effort. Priority areas which have been identified as of particular importance for Palestinian universities include:

- Management, business administration, and applied economics;
- Environmental protection and water research;
- Agriculture and agro-business;
- Applied sciences, technologies, and engineering;
- Modern European languages; and
- Social sciences, economics, and basic sciences.

4. Appeals for support for Palestinian universities and for fellowships

On 22 January 1993, the Director General launched an appeal to Member States, international organizations, and Arab and Islamic funding sources for voluntary contributions to make good the operating deficit of the budget of Palestinian universities in the occupied territories caused by the protracted closure of those institutions and by the current situation. No positive responses have been received at the Secretariat to date.

Prior to this appeal, the Director General had launched (from 1987 through 1990) appeals for contributions to a special fund for fellowships for Palestinians from the occupied territories: these efforts yielded $363,000, from which awards are still being granted. For example, in academic year 1992/1993, over 20 new fellowships have been awarded. Also, in 1990, a separate appeal had been launched to 70 universities worldwide, to provide research and training fellowships for Palestinian researchers and lecturers; 11 replies were received.

5. Other supports

- Through the Participation Programme, funds have been provided to undertake preparatory activities leading towards the establishment of a Palestinian curriculum development centre. Currently, a workshop is being considered, at which Palestinian educators and international experts would meet to discuss problems and strategies for the development of secondary school curricula.

- In 1992, the United Nations Regional Office for Education in the Arab States (UNEDBAS) signed three contracts with Al-Quds Open University, the purpose of which was to prepare two studies in distance education for Palestinians, as well as to reinforce documentation and study centres.

- UNEDBAS has conducted, in December 1992 in Jerusalem, a seminar attended by 43 representatives of non-governmental organizations (NGOs) universities, and United Nations organizations, on the subject of enhancing the accessibility of disadvantaged Palestinian children in the occupied territories to primary care and basic education. As a follow-up, UNEDBAS plans to carry out, in 1993, a pilot project on enhancing accessibility of Palestinian students to pre-school education, in cooperation with the Palestinian Council for Higher Education in Jerusalem, depending upon the availability of extra-budgetary funds.

- Through a project carried out under UNESCO's emergency aid to Jordan following the Gulf crisis, UNEDBAS has rendered financial assistance to six NGOs to support their pre-school programmes.

- Through its regular programme budget, UNESCO provides funds for equipment for Palestinian universities and for fellowships for Palestinian students. For 1992/1993, 13 fellowships have been awarded. In addition, through the Participation Programme, 4 fellowships have been provided to date for 1992/93.

6. Study of needs

Following a decision of the Executive Board of UNESCO at its 129th session in June 1988, UNESCO undertook a study whose purpose was to analyze the needs of the Palestinian people in the organization's field of competence, particularly in education, and to identify priority areas for consideration by bilateral and multilateral funding sources.

In March 1990, UNESCO published the results, entitled "Study on the needs of the Palestinian people in the field of education and training", covering general education, vocational and non-formal education, manpower training at the community college level, and university education. At its conclusion, the study proposed ten major projects, keyed to the development or strengthening of Palestinian education and training; most elements of these projects still await funding.

7. Culture sector

Assistance includes:

a) $16,000 - financial assistance from the 1990/1991 regular programme for the preparation of an inventory of Palestinian cultural heritage;

b) $4,000 - 1990/1991 participation programme request no. 8017 as financial assistance to enable Mr. Darwich Issat to attend a course in archaeology in the Netherlands;

c) Financial assistance of FF 10,000 for the preparation of Palestinian contemporary music cassette, in collaboration with France Culture;

d) A financial contribution of $25,000 within the participation programme, for the translation of a study on Palestinian cultural identify;

e) An 8-week internship in CLT/CH from 26 October to 18 December 1992 for Ms. Kheloud Daibes, a Palestinian student of architecture at the University of Hannover (Germany).

Should funds become available, the sector will undertake a study of the cultural needs of the Palestinian people.

For the future, the sector would provide assistance, particularly for short-term training courses in the field of museum management and the preservation of historical monuments and sites, in the framework of the participation programme for 1994-1995.

8. Summary of the participation programme

Palestine submitted 12 requests (10 national, 1 regional, 1 emergency assistance) comprising a total of $162,000. Among those, 7 have been approved:

1 regional request
5 national requests
1 emergency request.

Palestine received altogether $93,000 among which:

- $75,000 as a financial contribution:

$25,000	within Programme V
$20,000	within Programme III
$30,000	as emergency assistance (Programme I), directed towards the education of young Palestinians.

- $18,000 to finance 4 education exchanges, in accordance with 131 EX/Decision 9.4 of the Executive Council.

Annex I

UNRWA/UNESCO DEPARTMENT OF EDUCATION

UNESCO staff on secondment: 12
UNRWA Education staff: Over 11,000

Education Services
1992/1992

	Jordan	West Bank	Gaza	Lebanon	Syria	TOTAL
Number of schools	201	100	153	76	111	641
School population						
Elementary	96620	30033	76407	23621	41294	267975
Preparatory	55730	12277	28302	9551	18922	124782
Total	152350	42310	104709	33172	60216	392575
Class Sections						
Elementary	2277	838	1607	651	957	6330
Preparatory	1335	375	612	292	431	3045
Total	3612	1213	2219	943	1388	9375
Teachers Posts						
H/Teachers and Asst. H/Teachers (a)	260	101	160	82	123	724
Elementary	2370	853	1734	716	957	6630
Preparatory	1644	458	994	380	568	4044
Total	4274	1410	2888	1178	1648	11398
Training places in vocational and technical education centres						
Wadi Seer TC	788	-	-	-	-	788
Amman TC	404	-	-	-	-	404
Ramallah Women's TC	-	452	-	-	-	452
Ramallah Men's TC	-	160	-	-	-	160
Kalandia TC	-	544	-	-	-	544
Gaza TC	-	-	728	-	-	728
Siblin TC	-	-	-	644	-	644
Damascus TC	-	-	-	-	776	776
Total	1192	1156	728	644	776	4496
Training places in teacher training centres						
Amman TC	225	-	-	-	-	225
Ramallah Women's TC	-	225	-	-	-	225
Ramallah Men's TC	-	195	-	-	-	195
Total	225	420	-	-	-	645

(a) Preliminary data.

UNRWA/UNESCO Department of Education
22 December 1992

Mr. Bahir S. Muntasser, Chief
European Liaison Office
United Nations Population Fund (UNFPA)

(A copy of Mr. Muntasser's statement was not available at the time of publication of this report.)

Mr. Bahir S. Muntasser said that his agency supported activities in the field of demography and primary health care. In 1986-1990, UNFPA allocated funds to support six fellowships for post-graduate studies in demography and related areas. This training component was part of a programme financed by the United Nations Development Programme designed to enhance the educational level of faculty staff for teaching at Bir Zeit and Al-Najah universities in the occupied territory.

As regards primary health care research in the West Bank and the Gaza Strip, Mr. Muntasser said that funds had been allocated to support maternal and child health research and training activities at the primary health care research centres of the World Health Organization . The long-term objective of the project was to strengthen the capacity of the health services of the West Bank and the Gaza Strip to conduct health systems research at the primary and first referral levels and to support the undertaking of research projects specifically dealing with maternal and child health.

Of late, UNFPA, in cooperation with United Nations Relief and Works Agency for Palestine Refugees in the Near East, had been assisting Palestinian NGOs involved in providing maternal health services in the West Bank and the Gaza Strip. The Fund approved two projects, for 1993-1994, for expanding these activities in the West Bank and the Gaza Strip.

Mr. Rick Hooper, Assistant Chef de Cabinet
United Nations Relief and Works Agency
for Palestine Refugees in the Near East (UNRWA)

The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), created in December 1949 by a resolution of the General Assembly, was one of the first subsidiary bodies established by the United Nations. With nearly 20,000 staff members Agency-wide, 99 per cent of whom are Palestinian, UNRWA is the largest United Nations agency in terms of staff and, next to local governments, one of the largest employers in the region.

At the time of its establishment UNRWA became responsible for meeting the basic human needs of three-quarters of a million Palestinians. Today the Agency serves a population of more than 2.7 million Palestinians living in Jordan, Lebanon, the Syrian Arab Republic and the occupied territory of the West Bank and Gaza Strip. UNRWA services and programmes respond, inter alia, to basic needs such as for primary education, health care, and relief and social services; to emergency needs such as for food aid, emergency medical care, and general assistance; and to structural needs, such as hospital care, environmental health and employment. These services are delivered, inter alia, through UNRWA's 641 elementary and preparatory schools; 8 vocational and professional training centres; 118 health centres which receive over 6 million patient visits per year; 68 women's programme centres and 16 community rehabilitation centres.

Almost 40 per cent of all Palestinians registered with UNRWA live in the occupied territory: about 473,000 Palestine refugees reside in the West Bank and 583,000 in the Gaza Strip. In terms of UNRWA's financial commitments in the occupied territory, the 1993 budget dedicates over $80 million for Agency operations in the West Bank and nearly $104 million for the Gaza Strip. With the exception of the occupation administration, UNRWA is the most important employer in the occupied territory, and especially in the Gaza Strip: over 3,000 Palestinian work for UNRWA in the West Bank and nearly 5,000 in the Gaza Strip.

Rapidly deteriorating socio-economic conditions in the occupied territory make UNRWA's services more vital than ever. The beginning of the uprising and Israeli counter-measures required that UNRWA mobilize millions of additional dollars and staff to respond to new emergencies in its basic programme areas and develop responses to new and urgent needs. Since December 1987, humanitarian needs have swollen as the overall socio-economic situation has spiralled downward, a result of the accumulated financial and human costs of closures, confrontations, curfews, strikes, arrests, injuries, deaths, demolitions, deportations, forced unemployment and the Persian Gulf war.

In the area of health services, for example, in the five years since the beginning of the uprising the number of patient visits to UNRWA health clinics has increased much more rapidly than population growth. A large portion of this increase is attributable to the thousands of beating, tear gas, and gunshot injuries caused by occupation forces. But the increase is also due to worsening socio-economic hardship which has forced Palestinians who had sought private medical care in the past to avail themselves of UNRWA's free medical facilities in recent years. The quality of UNRWA care provided by UNRWA's medical facilities, from basic check-ups to maternal and child care, family planning, immunizations, laboratory tests, and special clinics, has also led many Palestinians to rely on UNRWA even when other alternatives were available.

In the West Bank, total patient visits increased from 530,000 patient visits in 1987 to 793,000 in 1992. UNRWA's health care budget in the West Bank has grown from about $9 million in 1988 to over $14 million in the 1993 budget. An addition $7 million is budgeted for special health-related projects, including expansion and construction of health facilities and environmental sanitation. There has been a large increase in health staff since 1987: the number of doctors has risen by one third; nurses by 40 per cent, dentists by 100 per cent and laboratory technicians by 100 per cent. Today, specialist clinics in the West Bank include dental, dermatology, obstetrics and gynaecology, and mental diseases.

In the Gaza Strip, the number of patient visits almost doubled, from about 586,000 in 1987 to nearly 1,140,000 during 1992. In response to both this large increase in patients and their changing health needs, UNRWA's health care budget for Gaza has grown from about $10 million in 1988 to over $16 million in the 1993 budget, which also includes a marked expansion of the Agency's environmental health programme. In addition, there are over $9 million in special funds for expansion or construction of health facilities, environmental sanitation and other special health-related projects. Along with additional special contributions, this increase in funding has allowed the number of doctors in UNRWA clinics to rise by more than 100 per cent in five years; paramedical staff by about 40 per cent, laboratory technicians by 100 per cent, dentists by 60 per cent, and the number of ambulances by 400 per cent. In addition, a number of new clinics offering specialized services have been opened since 1987: dental, ophthalmology, cardiovascular diseases, respiratory diseases, obstetrics and gynaecology, paediatrics, hypertension, diabetes, and physiotherapy. Since 1987, nine fully operational afternoon clinics have been added (and a tenth has recently been approved) as well as night-time emergency clinics.

In recent years a growing portion of overall health expenditures has covered rising costs associated with hospital care, reaching 35 per cent of the West Bank's regular health budget in 1992. UNRWA reserves beds at Augusta Victoria hospital, St. John Ophthalmic hospital, Ittihad hospital in Nablus, Caritas hospital in Bethlehem, Ahli Arab hospital in the Gaza Strip and runs its own hospital in Qalqilia. Over the last five years, UNRWA has also assisted non-governmental organization (NGO) hospitals in the occupied territory in raising funds: almost

$3.1 million has been channeled through UNRWA to assist NGO hospitals since 1987. UNRWA helps refugees meet hospitalization costs through a reimbursement programme at a rate of 60 per cent in the Gaza Strip and 70 per cent in the West Bank; for special hardship families, UNRWA covers 95 per cent of the cost in Gaza and 100 per cent in the West Bank.

Education accounts for over half of the regular budget and 60 per cent of staff in the occupied territory. In the 1993 budget, over $25 million is dedicated to education in the West Bank and $39 million in the Gaza Strip. Special funds for construction of additional classrooms, new schools and other education related projects for the occupied territory amount to almost $10 million. In the West Bank, UNRWA provides about 20 per cent of all elementary and preparatory education. In Gaza, where two thirds of the population are refugees, UNRWA education services account for over 60 per cent of all elementary education and almost 70 per cent of preparatory education. In vocational training, UNRWA provides 50 per cent of all such facilities in the West Bank and 65 per cent in the Gaza Strip.

UNRWA must respond to large annual increases in the student age population. In the West Bank over the last five years there has been an increase in elementary and preparatory student enrolment of 2,500 pupils, bringing total enrolment to over 42,000 for the 1992/1993 school year and requiring UNRWA to hire almost 80 additional teachers over the period. To accommodate growing numbers of students, since 1987 six additional schools have been opened in the West Bank and there are five schools currently under construction.

In the Gaza Strip school enrolment grew by over 16,000 pupils between 1987/1988 and 1992/1993, to nearly 106,000 children. As with health services, much of the increase was due to growing economic hardship: the majority of the increase was attributable to students who formerly would have attended schools run by the occupation authorities, which charge fees, but have transferred to UNRWA schools where standards are perceived to be higher and no fees are charged. As a result of such a large and rapid increase in enrolment, occupancy rates have climbed in recent years, and now average 47 children per classroom in Gaza Strip schools. This is despite the opening of 8 new schools, the construction of over 170 additional classrooms and the hiring of over 375 additional teachers since 1987. UNRWA currently has new classrooms under construction or in the planning stage, 3 new schools under construction, and a fourth school which has been planned for but blocked by the Israeli authorities.

In the area of vocational and technical training, UNRWA operates three training centres in the West Bank, which are also attended by students from Gaza, and one in the Gaza Strip. In the West Bank, UNRWA has constructed new workshops and introduced new courses in computer science, ceramics, social work, marketing, physiotherapy, nursing, auto-electronics and office machine repair. In addition, following discussions with Palestinians and in line with the decision of the Government of Jordan that a four-year degree will henceforth be required for certification of teachers, UNRWA recently decided to upgrade its two-year teacher-training programme to a four-year college.

At the Gaza Training Centre, there are 46 different vocational and technical training courses, an increase of 6 since 1987, and student enrolment has increased over this period by 20 per cent. New construction has been completed or is now underway to accommodate new or expanded training programmes in business and office practice, industrial electronics, construction trades, dental hygiene and for physiotherapy assistants, pharmacist assistants and laboratory technicians.

UNRWA's university scholarships programme has grown considerably over the last five years. In the West Bank, 50 students received scholarships in 1987/1988, increasing to 158 this year. Fifty-four students from Gaza received scholarships for the academic year 1987/1988; this year the number was 200. Agency-wide over 700 Palestinian students are enrolled in universities, paid for by scholarships provided through UNRWA.

Through its extensive education and staff training programmes, UNRWA has made a significant contribution to human resource development among Palestinians. UNRWA opened the first vocational training school in the Arab world, in the West Bank in 1952, and the first residential college for women, also in the West Bank, in 1962. Beginning with primary schools, and extending through vocational training centres, university scholarships, and specialized management and technical training for Agency staff, tens of thousands of Palestinians have acquired skills and knowledge over the last 40 years that have enabled them to play a central role in developing their society.

The demand for UNRWA's relief and social services programmes and in particular the special hardship programme has ballooned in recent years. In the West Bank, UNRWA accounts for about 75 per cent of all direct relief and in the Gaza Strip, 95 per cent. In addition, over one third of all social services in Gaza are offered by UNRWA, and about one-quarter in the West Bank. Today, one of the principal reasons for the continued need for emergency relief is lack of access to steady employment due to economic stagnation which limits employment opportunities in the local economy, growing restrictions on employment of Palestinians inside Israel, and military-ordered extended curfews and bans on Palestinians entering Israel. The total 1993 budget for relief and social services is $10.3 for the West Bank and $16.5 for the Gaza Strip.

The rate of increase in the number of families applying for special hardship assistance is a major concern. Special hardship families represent a sub-group of the very poor: they are those with no male adult medically fit to work and with no other source of regular financial support. The percentage of such families in the occupied territory is significantly higher than in Jordan and the Syrian Arab Republic, mainly due to the breakdown of the extended family support network as a consequence of high and rising unemployment and the loss of remittances from the Gulf. Moreover, unemployment, violence and frustration can often give rise to stress-related illness, which in turn can render a previously fit person unemployable, a phenomenon especially observed in the Gaza Strip.

Today nearly 7 per cent in the West Bank and nearly 10 per cent of the refugee population in Gaza are registered special hardship cases. That is 90,000 persons whose primary support comes from the basic food rations, children's clothing, and emergency cash assistance provided by UNRWA. Agency-wide, in 42 per cent of special hardship families, the head of household is a woman; 17 per cent of household heads are permanently or temporarily disabled, and over 40 per cent of recipients of special hardship families are under 15 years of age. In the occupied territory, 8.5 per cent of families are headed by men who have been imprisoned by the Israeli authorities. In financial terms, the special hardship programme budget in the West Bank grew from about $2.75 million in 1987 to almost $4 million in 1992 while in the Gaza Strip, the budget rose from about $4.8 million in 1987 to nearly $8 million in 1992.

Food distribution, both regular distribution to special hardship families and general distribution to entire communities in time of acute need such as following extended curfews or closures, remains a central part of UNRWA's emergency programme in the occupied territory. In 1991, the year of the Gulf war, UNRWA distributed over 68,420 tonnes of food, to both refugees and non-refugees alike and in 1992, over 45,000 tons of food was distributed.

In recent years, UNRWA has placed growing emphasis on addressing certain structural needs whose long-term neglect only exacerbates existing socio-economic hardship, and thus intensifies demand for ongoing and emergency programmes. Three areas where UNRWA initiatives in the occupied territory are most visible are hospital care, environmental health and income generation.

In response to the desperate need for affordable and adequate hospital care, UNRWA has undertaken to build a new hospital in the Gaza Strip which will increase by over 20 per cent the number of hospital beds available locally. Construction of the 232-bed general hospital is projected to cost nearly $20 million with an additional $15 million to cover operational costs for the first three years. The hospital will operate with four main departments: surgery, internal medicine, obstetrics/gynaecology and paediatrics. The construction phase will directly employ about 500 persons and the Gaza economy should benefit from considerable local procurement and the estimated 500 additional jobs which this should stimulate. About 500 Palestinians will be employed on a permanent basis by the hospital once it is fully operational.

UNRWA is in the process of greatly expanding its work in the environmental health sector as well. In the West Bank, environmental health problems tend to be localized and are not always as evident as those in Gaza. Nevertheless, they create immediate and long-term threats to health and environment. Poor waste management has become a major concern, as sewage and sullage commonly overflow into surface drainage systems in urban areas and camps. Water distribution networks inside towns and camps alike are generally in very poor condition and water losses are often high. UNRWA had begun to address the problem of environmental pollution of sewage inside eight refugee camps by embarking on a programme to construct internal sewerage systems and to connect them to nearby municipal systems or treatment facilities.

In the Gaza Strip contamination and degradation of the environment is severe, constituting a major threat to the population, to environmental resources, and to future development. Environmental pollution represents a direct threat to the population, contributing to high prevalence of intestinal parasites and high endemic rates of enteric disease and increasing risks of diarrhoeal and other diseases such as typhoid or cholera. The situation becomes much more urgent when considered in the context of Gaza's rapid population growth rate: within 17 years the population of the Gaza Strip is expected to double to over 1.6 million inhabitants.

UNRWA has begun the vital task of comprehensive sectoral planning to identify immediate and medium-term solutions to environmental threats. The aim is to establish a base for development in the Gaza Strip, provide accepted policy guidelines, avoid duplication and assist in the drawing up of a framework for orderly and effective development. UNRWA has undertaken strategic planning for the water supply in Gaza to identify environmental health needs in camps and towns and recommend projects, including institutional development.

In the wake of the economic dislocations created by the Gulf crisis and its aftermath, UNRWA decided in mid-1991 to expand its income-generation initiatives by establishing revolving loan funds, with an emphasis on the occupied territory of the West Bank and Gaza Strip. The revolving loan funds were created to promote income generations through job creation by providing finance capital and training in support of small enterprise activity.

Since loans to Palestinian enterprises were first awarded in the West Bank in May 1992, 29 loan applications have been approved for $570,000. More than 75 per cent of borrowers were refugees; about 10 per cent of borrowers are women. In the Gaza Strip, where loans were first made one year earlier than in the West Bank, the revolving loan fund has disbursed over $1.7 million to 77 small businesses. Loans range between $2,300 and $70,000, averaging $22,000 per enterprise. Over 85 per cent of loans have been made to refugees while about 6 per cent have been made to women entrepreneurs. And contrary to the expectations of many, up until the recent closure the repayment rate of borrowers in the Gaza Strip was over 98 per cent. As of February 1993, over $151,000, or almost 9 per cent of the current loan portfolio had already been loaned to new clients.

For Palestinian families who are registered special hardship cases, since 1983 UNRWA has had a programme of self-support grants and soft-loans and, more recently, mini-loans. In 1987 there were 30 self-support projects in the West Bank representing total investment of $174,000. By the end of 1992 these figures had grown to 68 projects worth $463,000. In the Gaza Strip, the number of self-support projects grew from 16 totalling $104,000 in 1987 to 37 in 1992 representing a total investment of almost $450,000.

Yet, despite this significant overall expansion of UNRWA services in the occupied territory over the past five years, socio-economic hardship is growing so fast that many of these gains could soon be overshadowed by increased economic instability and soaring unemployment. In the West Bank, prior to the recent closure it appeared that unemployment could have been as high as 40 per cent in interior villages and camps, and perhaps about 25 per cent overall. The Israeli-ordered closure has been a powerful reminder of just how precarious the situation is in the West Bank: the margin that separates conditions in the West Bank from those in Gaza could easily vanish.

In the Gaza Strip, unemployment rose to about 40 per cent following the Gulf war and has not improved since. Military-ordered closures of the Strip in May, September and December 1992 and again in late March/April 1993, which, in total, add up to about three months, have had the effect of regular almost quarterly shocks to an economic system already operating near collapse and have resulted in the loss of tens of millions of dollars in family, commercial, industrial and agricultural income. During the recent closure, wages lost to the approximately 30,000 Gaza labourers with jobs in Israel amounted to about $750,000 per day. One indicator of the desperate economic situation is the demand on UNRWA for employment. For example, when UNRWA recently advertised vacancies for 8 sanitation labourer positions, 11,655 men applied. This is about one-and-a-half times the entire industrial work force and roughly 10 per cent of the total labour force of the Gaza Strip.

This represents the true magnitude of socio-economic need in the Gaza Strip today. An unemployment rate of 40 per cent means some 50,000 men in Gaza are without jobs. While estimates vary on the amount of money required to create one new job, reducing unemployment by only half could require $500 million (or more) in productive, sustainable investment in the Gaza economy.

Deteriorating socio-economic conditions are made more acute by the rapidly worsening security situation. While it appeared during much of 1992 that the security situation in the occupied territory was stabilizing, this began to change in September and by the end of the year the Gaza Strip was witnessing levels of violence similar to the initial years of the uprising. Between December 1992 and 20 April 1993, 61 Palestinians were killed by Israeli troops or settlers in the Gaza Strip. This toll is higher than for all of 1990 (51), over double the number of deaths recorded in 1991 (27), and higher than for all of 1992 (59). During the same period, 18 children under 16 years of age were among the fatalities and some 450 children received medical treatment after being shot with live ammunition. In the West Bank, 33 Palestinians were killed between December 1992 and 20 April 1993, of whom five were children.

This violence has placed renewed strain on UNRWA's emergency medical care services, requiring the Agency to continue to devote substantial financial resources to maintain emergency clinics, medical teams, and a large fleet of ambulances and specially trained staff, all of which have been developed since the uprising began in December 1987.

Recent events in the occupied territory give rise to a profound sense of unease: the extended closure of the West Bank and Gaza Strip, the reduction in the number of Palestinian labourers allowed to enter Israel, the continued disruption of the movement of goods and services between the occupied territory and Israel, and within the occupied territory itself, and the return to very high levels of violence threaten to overtake crucial work being done by UNRWA, other United Nations agencies, and international and Palestinian NGOs to promote sustainable development.

Current conditions in the occupied territory, in which needs are rising so quickly as to risk outstripping financial capacity, raise inevitable questions concerning the balance between meeting emergency needs for income support, basic needs for education, health and social services, and ongoing structural needs for hospital care, environmental health and employment creation. The fact that all three categories of assistance are inter-related and that shifting resources away from any one area only exacerbates problems in the others makes such questions seem virtually impossible to answer. For its part, UNRWA is doing its best to meet rapidly expanding emergency and basic needs and at the same time keep sight of the importance of investing to address structural needs for socio-economic advancement of Palestinians in the occupied territory.

Mrs. Gretchen Handwerger, Principal Counsellor (Paris Office)
World Bank

I would like to make a brief statement giving the background to the Bank's involvement in the work on the occupied territories, and the status of this work.

At the request of the sponsors and organizers of the Middle East multilateral peace talks, the Bank has been participating in, and contributing technical analyses to, deliberations of the multilateral working groups on water, environment, and economic development and regional cooperation. At its most recent meeting in Paris on 29 and 30 October 1992, the Working Group on Economic Development and Regional Cooperation requested the Bank to expand its contribution to include: first, an in-depth analysis of the development needs of selected economies of the region including the West Bank and the Gaza Strip; and second, an analysis of the current financial flows into the region and estimates of future financial needs to accelerate economic development and to support priority regional projects. It was agreed that while most information needed to underpin the analysis of the regional economy could be obtained from sources within the Bank, the analysis of the economy of the occupied territories would require additional field work and data collection by the Bank.

An exploratory mission from the Bank visited the occupied territories, Israel and Jordan in December 1992 to discuss modalities of the work relating to the occupied territories. Following that, the Bank fielded a mission during the period 20 January-25 February 1993, consisting of five separate teams covering the following areas: private sector development, agriculture, human resources, infrastructure, and macroeconomics. The mission was received warmly by all sides, who took keen interest in the work of the mission and provided superb logistical and counterpart support for the field work. The main counterparts on the Israeli side were the Bank of Israel and the civil Administration in charge of the occupied territories. On the Palestinian side, the main contacts were the Technical Committees of the Palestinian Team to the Peace Conference, consisting mainly of Palestinians who are members of the bilateral and multilateral peace teams.

Mission members travelled extensively in the West Bank and Gaza, visiting municipalities, farms, businesses, industries, academic institutions, refugee camps, and NGO-run facilities. Mission members also travelled in Israel as needed, and paid several visits to Amman. The representatives of the key bilateral and multilateral donors in Jerusalem were kept briefed about the work of the mission and indicated strong support for it. Invaluable support, logistical and otherwise, was provided to the mission by the United Nations Development Programme and the United Nations Relief and Works Agency for Palestine Refugees in the Near East.

The mission is now in the process of analyzing the field data and preparing its report. Tentatively, the mission report is expected to be ready for discussion with the concerned parties in early June. Depending on the outcome of these discussions, the report might be published as a document of the Bank and made available to other interested parties. The report would analyze the current economic situation in the occupied territories, assess prospects for sustainable development in the future, and outline the priority agenda for the coming few years for realizing the future potential. In particular, the mission recommendations would focus on the following areas: (a) the identification of programmes and projects to be implemented during the interim (5-year) period of self-governing arrangements; (b) the priority technical assistance for feasibility studies and project preparation for these investments; (c) technical assistance and training programmes to initiate the process of institutional development; and (d) recommendations regarding policy and regulatory reforms to promote economic and social development.

Dr. Ignazio Galli, Associate Director, ERO
World Health Organization (WHO)

On behalf of the Director-General of the World Health Organization (WHO), I want to express the serious concern felt by the organization with regard to the health situation of the Palestinian population of the occupied Arab territories, including Palestine.

The socio-economic situation in the occupied Arab territories reflects the structural changes which have occurred during the 25 years of military occupation. One of the most significant effects has been that traditional health sectors have gradually lost their effectiveness.

The peace process between the Palestinians, the other Arab countries and the Israelis, launched in Madrid in November 1991, has fostered hopes of a transition, while at the same time producing dramatic changes.

Since the peace process began, the socio-economic conditions in the region have deteriorated increasingly, as a result of the fresh cycle of violence, the continuation of the intifadah, the growing breakdown in community life, and the destabilization of the economic system, which had already suffered the effects of a serious recession in the wake of the Gulf War, when more than 250,000 Palestinians were expelled from the countries of the Gulf region.

In particular, the deterioration of the economic situation has undermined the structural cohesion of the health conditions of the inhabitants of the occupied Arab territories, as a result of:

1. The decline of the local economy, due mainly to the recession in agriculture, industry, education and housing;

2. The drop in output by companies, caused by the absence of economic support and loans, resulting in constraints on product marketing;

3. The absorption of the local economy by the Israeli market (this economic thesis was expounded yesterday by a Palestinian economist).

Health situation

All health managers in the field of preventive or therapeutic medicine, in both the primary and the secondary sectors, encountered enormous difficulties during 1992 and early 1993, particularly in the following areas:

- Primary health care development came to a halt, particularly with regard to the prevention of infectious diseases transmitted as a result of a deterioration in the traditional environment, including diarrhoeal diseases among children, dysentery, hepatitis and other enteric fevers;

- A decline occurred in the quality of care for pregnant women, prenatal and neonatal care, and maternal and child hygiene and nutrition;

- There was a lack of regular medical supplies;

- Enormous difficulties were experienced in training medical and paramedical staff;

- Health conditions linked to the environment in general, particularly sanitation in the Gaza Strip and the areas of Jenin and Hebron, deteriorated;

- Finally, psychological and mental disorders among Palestinians increased as a result of the deterioration of the social climate, unemployment, and the feeling of constant oppression, particularly among children, who suffer from psychological disorders caused by post-traumatic stress.

Let me now turn to the activities of WHO in the occupied territories.

In view of the deteriorating social conditions affecting the Palestinian people and bearing in mind the urgent need to revitalize and develop health services, WHO has launched a number of different activities, in response to the many resolutions adopted by the World Health Assembly.

A technical programme designed to improve health conditions in the occupied Arab territories was drawn up by WHO in October 1989 and launched in January 1990.

This technical support programme relates specifically to the following projects:

1. Consolidating the primary health care system by:

    - improving the performance of health services in schools;
    - establishing a number of primary health care centres;
    - creating and strengthening rehabilitation and physiotherapy units;
    - improving medical supplies;
    - supplying medical equipment for community health centres;
    - improving the training of medical personnel (including the supply of training materials).

2. Modernizing equipment and recruiting qualified staff for the three main non-governmental hospitals (Makassed in Jerusalem, Al-Ittihad in Nablus, and Al-Ahli in Gaza);

3. Improving the reception facilities of maternity wards at the Red Cross Hospital in Jerusalem;

4. Assisting a Palestinian non-governmental organization with an information project on health development through the introduction of a primary health care monitoring system in rural areas;

5. Helping the research centre for health structures located in Gaza, one of the most active centres in the region, to implement two projects, namely health education for pregnant women and a system for home hospitalization;

6. Working with local experts to introduce epidemiological surveillance of human and animal brucellosis.

The implementation of most of these projects has begun, but others are still awaiting funding from member States.

The Director-General of WHO will continue his efforts to support and carry out special aid programmes, in close cooperation with all member States and United Nations agencies directly concerned in the field of health and humanitarian activities.

This will be done by placing special emphasis on using all available means to ensure that the special programme achieves the goals that have been set. Particular consideration will be given to a global health plan focusing on the following priority areas:

- Helping the Palestinian people to train health workers capable of managing an integrated health system;

- Assisting in the development and implementation of a general health plan, under the responsibility of a Palestinian health council;

- Improving the training of medical personnel;
- Improving communication channels between primary and secondary health systems;
- Improving health standards in relation to the environment.

The definition of health given by WHO not only includes the idea of the absence of sickness and disease, but also clearly mentions the right to well-being. This right, to which the Palestinian people aspire, cannot be divorced from the concept of freedom and justice.

I should like to take this opportunity to thank the organizers of this seminar for giving us the chance to share with all participants the experience of the World Health Organization in the occupied territories, including Palestine.

Finally, the Director-General of WHO has asked me to express his support for the Committee on the Exercise of the Inalienable Rights of the Palestinian People and to wish it every success in its work.

Expert

Mr. Samir Abdullah Saleh (Palestinian)
Economist, Bir Zeit University, West Bank

Urgent priorities for the development of the physical infrastructure of the occupied Palestinian territory

The Palestinian economy in the West Bank and Gaza Strip, including occupied East Jerusalem, is suffering from a stagnation that has persisted since the early 1980s. This dilemma has been a result of a number of interrelated factors including:

1. The perpetual Israeli policy of intentionally limiting development of the Palestinian economy through imposing strict control over the usage of land and water resources, establishing impediments to investment and capital management, wilful neglect of infrastructure needs, obstructing the export of Palestinian products, as well as other drastic measures such as the arbitrary tax policies. These policies and measures have escalated since the start of the intifadah in December 1987.

2. The Palestinian economy became vulnerable to policies as well as to shocks and fluctuations in the Israeli, Jordanian and Gulf-oil countries. The severe economy crisis in Israel in 1983/1985 and the decline in oil prices in the early 1980s negatively influenced Palestinian economic conditions. The decline of oil prices has been accompanied by a reduction in assistance offered to the occupied Palestinian territories (OPT). In addition, the Gulf States no longer had the economic pull to attract large numbers of Palestinian labour forces.

The main result of the stagnation has been the growing unemployment, especially among university graduates. The ability of the Palestinian economy has been deteriorating in its capacity to absorb the natural increase of the labour force. After the Gulf war the problem of unemployment escalated. As a result of circumstances surrounding the crisis, the largest community of Palestinians in the Gulf region was deported from Kuwait, forcing approximately 400,000 Palestinians to leave the area. The economic consequences were devastating. One hundred thousand Palestinian families, 30,000 of them in the OPT, lost part or all of their regular income.

As a result of the decline of remittances and financial support, all Palestinian national institutions operating in the OPT, including universities, hospitals, municipalities and charitable associations, have faced a severe financial crisis. This has affected their capability to maintain adequate services and continues to endanger their very existence.

One type of Israeli measure that has had an exceptionally negative effect on the Palestinian economy is the restriction on movement of Palestinians into Israel and East Jerusalem. This policy exploits Palestinian-Israeli economic interrelations as a form of punishment. Recently, Israel sealed off the OPT. The sealing divided the OPT into four isolated regions: the north West Bank, south West Bank, Gaza Strip and East Jerusalem. This measure deprived 120,000 Palestinian workers of their wages, constituting 30 to 40 per cent of the OPT national income. As a result of the sealing, East Jerusalem has lost over 50 per cent of its economic activities, the effects of which have also included disrupting trade and transport between the four divided areas.

As living conditions of Palestinians became more unbearable, both internal and international criticism of Israeli policies mounted. The response of the right-wing Government of Yitzhak Shamir then was to increase settlement activity and acts of collective punishment.

When Rabin formed his Labour-led Government in 1992, it was hoped that the situation in the OPT would improve. However, contrary to expectations, nothing was done to improve Palestinian economic conditions. On the contrary, additional punishments were imposed. After much criticism and Palestinian demands for the publication of the civil Administration budget in the OPT, they finally released the figures. The revelation was very telling. The Gaza Strip was allocated, as a developmental budget, NIS 37.4 million ($13.9 million) for the year 1993. This amounts to an average of NIS 44 spent on each Palestinian, while Israelis enjoyed an expenditure of NIS 2,100 per person for 1991.

In short, Israeli Government policy towards the OPT has been negligent and hostile, thereby stifling investment confidence and crippling development opportunities. This policy, to a great extent, shaped the Palestinian economy. In brief, the following deficiencies were observed:

1. The Palestinian economy in the OPT is excessively and dangerously dependent on the Israeli economy. For example, over one half of the national income in the Gaza Strip and one third of the national income in the West Bank derives from Palestinian labourers working in Israel. In addition, 70 per cent of all Palestinian exports and 90 per cent of the imports are with Israel. As a result, the growth and development of the economy of the OPT is influenced and controlled to a large extent by Israeli policies, being subjected to its market trends and cycles.

2. The infrastructure of the OPT is thoroughly inadequate with respect to physical and social infrastructure. It did not surprise anyone when, after the World Bank mission visited the West Bank and Gaza Strip earlier this year, they concluded that the Palestinian infrastructure was at one third of its required level.

3. The deficiency of human resources is also a serious problem. There are many more Palestinians looking for work than there are jobs. Furthermore, those looking for employment do not have the proper skills and training required in today's economy. This is due to an archaic and obsolete educational system that ignores present developmental needs.

4. Another serious problem is that there is a lack of a national institution inside OPT, as well as constraints on existing public institutions. For example, municipal councils no longer have a substantially influential role in the development of their communities, leaving major administrative decisions in the hands of the Israeli occupying Power. Professional unions and voluntary organizations have also been squeezed out of any real role in deciding the future of development in the OPT.

It is essential to identify needs and priorities in order to begin adequately treating the deficiencies of the Palestinian economy in the OPT. The remedy, however, will not be simple because of the many administrative and legislative obstacles that Israel has put in the way of such a goal. Palestinians will have to devote much time and energy to design and implement a comprehensive, feasible development strategy that can undo the economic havoc that has existed for over a quarter of a century. The Palestinian Development Plan (PDP) of course constitutes a very important step in this direction.

The Palestinians are faced with a tremendous challenge in overcoming the hardships associated with the occupation. Especially challenging will be the period immediately after an agreement on interim arrangements is achieved, when the foundations for a Palestinian State must be laid. These foundations must be secure and lasting to ensure that the new State of Palestine will be stable and prosperous, finally securing for its people the rights of self-determination and human dignity.

Any serious developmental effort should address four interrelated areas: regulatory framework or business climate; lack of infrastructure; preparation of human resources; lack of institutions. I will focus hereunder on the pressing needs in the area of physical infrastructure.

I. The infrastructure of the Gaza Strip

The infrastructure for the Gaza Strip is our first priority, and should be dealt with in a comprehensive manner. Not only is the infrastructure of the Gaza Strip inconsistent with development needs, it also constitutes a threat to the lives of the 850,000 Palestinians living there, because of the sewage problems, accumulation of trash in residential areas, scarce electrical power, inadequate streets and a lack of fresh drinking water.

The infrastructure problems of the Gaza Strip must be dealt with immediately in a manner that addresses the following:

- Road construction, consisting of the creation of new roads and renovation of old ones;

- Trash disposal, involving the provision of municipalities with appropriate garbage disposal sites located away from residential neighbourhoods;

- Sewage disposal and treatment facilities;

- Water networks;

- Electricity.

II. Urban planning for villages, towns and cities

Palestinian villages, towns and cities lack thorough, structured strategies to pursue development according to their present and future needs. This is partly due to the lack of flexibility that the Israeli occupation authority has imposed by obstructing the implementation of many village and city development plans. Instead, Israel has contracted Israeli development firms using funds from Palestinian taxes, in order to implement plans that conformed with Israeli interests to the detriment of the Palestinian economy and infrastructure. This usually involves putting Palestinian communities within very meagre borders, thus often leaving dozens of homes stranded outside the municipality limits.

The first step to real structured and systematic development is the creation of a thorough and practical plan for every municipality and village. Such important developmental blueprints would have to be preceded by conclusive studies of typographic, demographic, economic and social conditions.

III. Drinking water

One of the most urgently required services for Palestinians in the OPT is clean drinking water. This constitutes an especially formidable challenge since 176 villages (51 per cent) do not have piped water networks. They must instead resort to alternative sources that are often insufficient or contaminated.

Also needed is funding for the repair of decayed water networks that waste large quantities of water and expose it to sewage and other contaminants.

IV. Electrical power

The production and availability of electricity constitutes another obstacle for the development of the OPT. Some of the urgent modifications and improvements include:

- Supplying Palestinian villages with dependable electrical power. This is no small task since about 23 villages do not receive any electrical current at all. There are also about 160 villages that do have regular access to an electrical current from the existing grid. They depend on private generators, which are expensive to run and supply electricity for only a limited period of time during the day;

- Increasing the production of Palestinian electrical power to deal with the constantly increasing demand;

- Upgrading old electrical networks to prevent electricity loss, which constitutes about 20 per cent of the total electrical output;

- Developing a plan to establish a Palestinian electrical grid and to hooking it up with Arab grids in order to maintain a higher degree of reliability and flow of power to Palestinians in the OPT.

V. Industrial zones

The West Bank and Gaza Strip lack adequate industrial zones. Although such zones can help stimulate the ailing Palestinian economy, their size and impact have been stifled by Israel's limiting of the normal growth of municipal domains. The few existing industrial zones are small, lacking adequate infrastructure and services such as roads, water, electricity, sewage and telephone lines. Therefore, many new businesses have to incur the cost of purchasing the land as well as connecting and installing the necessary services.

I believe that coping with these issues of infrastructure is necessary, not only to avoid further deterioration of the economic conditions of the OPT, but also to prepare the proper ground for the implementation of ambitious development plans in the future.

The role and experience of regional organizations

Mrs. Bettina Muscheidt
Representative of the Commission of the European Communities

I am very pleased to participate in this conference and discuss with you a very common interest: our contributions towards the development of the occupied Palestinian territories. This conference will enable us to better understand each other's work, it will help us to clarify issues and perhaps even help us to understand and resolve problems related to our work.

Certainly, representatives of our organizations meet also on other occasions like donor conferences and informal meetings. I nevertheless believe that it would be useful for our further discussion to recall to you the development of European Community (EC) assistance to the Palestinians.

The Community aid programme has to be seen in the wider context of the relationship of EC and its member States with the countries in the Middle East. Events in this region have always been closely followed. For over a decade the Community and its Member States have issued declarations on the Middle East problem. These declarations have been partly shaped by the European experience of overcoming historical conflicts and enmity through cooperation.

This experience explains why European policy towards the Middle East has always been evenhanded. You may take the position of the European Council in its Venice Declaration as an example. It recognized the right to existence and security of all States in the region, including Israel. It also called for justice for all peoples including "the recognition of the legitimate rights of the Palestinian people".

The understanding that the Palestinians' legitimate rights were not well respected under the prevailing situation of occupation led over the time to a continuous and very substantial support; Palestinians had found it more than difficult to ensure such a development without external help. All of this was partly meant to compensate the Palestinians for the difficult circumstances caused by occupation. It also was a result of considerations that the Palestinians should not be discriminated with respect to the other peoples in the Mediterranean and the Middle East.

It was understood that "legitimate rights" encompassed human and national rights but also the right to development of the Palestinian society in all fields of human activity. Help had to be sensitive to the existence of a large number of refugees in the occupied territories and three Arab countries as well as to the everyday constraints of occupation.

Up until 1980 the Community aid to the Palestinian population, whether inside or outside of the occupied territories, was limited to the refugees. From 1971 on there has been cooperation with the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) which was initially limited to food aid. From the beginning of the eighties EC contributed increasingly to all of UNRWA's activities. For the last few years the Community and its Member States have been one of the most important donor to this Agency.

Direct development aid was granted to Palestinians under different budget lines from 1980 onwards. Since 1987 the Community has a specific aid programme for the Palestinians shaped for their needs. The guidelines underlying this programme have been formulated by the Council of Ministers and include the following:

(a) Aid will benefit the Palestinian population of the West Bank, including Jerusalem, and the Gaza Strip;

(b) The Community will avoid actions that relieve the Israeli Government of its responsibility to maintain and develop the infrastructure of the occupied territories;

(c) Community aid will aim at improving and strengthening the economic, social and productive sectors.

In the 1989 European Council declaration of Strasbourg the Community and its member States strongly confirmed their previous position. They emphasized their commitment to support the Palestinian population in the occupied territories. Education and health were singled out as areas to which particular attention should be devoted.

Therefore the following are the main areas:

(a) Small-scale employment-generating projects or measures in the agricultural and industrial sectors, in particular by giving support to measures in the agricultural sector which would increase food self-sufficiency;

(b) Education/training, particularly in the vocational and technical fields;

(c) Upgrading of local Palestinian institutions such as Arab-run municipalities, universities and colleges, professional organizations, etc. particularly through linkages with similar institutions in EC, in-country training, seminars.

(d) Private Palestinian health sector.

So far the framework of EC's programme of assistance to the occupied territories.

Let me turn to concrete questions on the implementation of development programmes in the occupied territories. There are first and foremost the needs of the Palestinians and how the Community can ensure that those needs are met. Community measures are identified and formulated, as far as possible, after direct contacts with local Palestinian bodies. Such operations then relate closely to local needs and development efforts. Great importance is attached to developing close cooperation with member States' bilateral programmes in the occupied territories, as well as with United Nations institutions active in the area.

However, development cooperation with the Palestinians is severely hampered by the unique situation of absence of a legitimate single counterpart in the occupied territories. In recent years the Palestinians have set up representative institutions and EC takes this into consideration. But then their work faces great difficulties due to the anomalous situation.

This situation touches upon all activities related to the implementation of development projects: the coordination of information on needs, the identification of valid projects in the absence of good information and good communication with the occupied territories, the identification of legitimate partners in all of the fields of cooperation and the implementation and follow up of projects.

Moreover, the situation prevailing since 1967 has had its effect on Palestinian non-governmental institutions. Often their structures are weak, many times they are insufficient to cover whole fields of intervention. They are uncoordinated, understaffed and have little resources.

Bearing the shortcomings mentioned in mind, the EC programme particularly focuses on strengthening these institutions. In the absence of any Palestinian central authority this is one of the key strategies towards development of the territories. For the Community there are different ways to go about it: some Community interventions are supplemented with measures for the training of personnel, the improvement through logistical support and the local development of new methods. But there is also the continuous dialogue we have with the institutions, a dialogue that allows for critique and re-appraisal and learning.

Some of these measures are of shorter duration. Others have been started when a need arose and may continue as long as this need is there. Here I am thinking of technical assistance for the Palestinian agricultural exports towards the Community. This logistical support consists of seasonal short-term interventions with a long-term view as how to improve conditions underlying these exports.

In economic development priority is given to small-scale job- and income-generating projects in agriculture and industry. The bulk of aid in this sector is channeled through credit institutions. This allows the Palestinians to acquire necessary experience in running their own credit institutions and in assessing the feasibility of concrete initiatives.

Ultimately, these elements are part of an overall strategy which aims at avoiding a potential pitfall of any development aid: the creation of dependence. In the case of the Palestinians this has become mandatory in the light of a future self-government.

Part of this strategy is also a series of concrete activities launched by the Community in the framework of the multilateral track of the Middle East peace process. These are guided by the experience gained through the cooperation with the Palestinians. They also reflect a new spirit: more than ever the Palestinians are invited to build a relationship with EC similar to the one the Community has with other southern Mediterranean countries. And this relationship aims at being a partnership.

Now there are projects underway for the establishment of networks between Palestinians, European and other Middle Eastern partners. They encompass activities like university, municipality and media cooperation. Private business interests will be linked across the Mediterranean. Studies in many sectors may provide the basis for future policy decisions.

All of this is to give you an idea of the degree of flexibility we have in responding to problems and needs the Palestinians may have. This is also reflected in the way we administer our aid programme. The fact that the Community has no permanent representation in the occupied territories has been an obstacle to our work. But we are resolving this problem by going on monthly or even more frequent missions to the occupied territories.

More than ever this flexibility will be needed in the future. Peace in the region will offer new challenges for the Palestinians and their neighbours but also for international donors. They will be called to jointly find answers. The peace negotiations are to resume while we are here to discuss development aid for the Palestinians; our meeting will already contribute to a brighter future for the Palestinians.

Annex

Areas of community aid to the occupied territories

The direct development aid programme (B7-406) aims at improving the economic and social situation of the Palestinian population of the occupied territories, in particular by strengthening indigenous productive capacity.

EC assistance to the occupied territories can be summarized under five headings:

(i) Aid to refugees through UNRWA. This takes place mostly through contributions to the regular UNRWA budget, which are spent on education, health and food aid programmes. In the years 1971 to 1992 this aid amounted to about ECU 518 million. It is for all refugees, even those who are not living in the occupied territories. Since the latter represent approximately 38 per cent of the total, we can estimate that under this heading, aid to the occupied territories amounted to about ECU 197 million for 1971-1992.

(ii) Aid through co-financing with European non-governmental organizations (NGOs). In 1979-1992 the total amount contributed by the Commission was ECU 12.6 million. This was equivalent to a 38.4 per cent contribution to projects for a total value of over ECU 32 million.

(iii) Direct development aid under budget lines B7-406 and B7-701 amounted in 1991 to ECU 70 million (including ECU 60 million exceptional aid) and in 1992 to ECU 17 million (including ECU 5 million exceptional aid). The figure for 1993 will be ECU 15 million. The total amount devoted to these lines from 1987 up to 1993 is ECU 119 million.

(iv) Aid to promote direct Palestinian exports from the occupied territories to Community markets. These were made possible in 1988 thanks to pressure from the European Parliament, following an initiative from the Commission. The Community is financing two agricultural experts, one for the Gaza Strip and one for the West Bank. Exports increased five-fold by volume from the first to the second season. After a decrease in the third season due to the Gulf war and in the fourth season due to severe winter conditions, the prospects for the fifth season (1992-1993) are better since the Community has considerably increased the volume of short-term export loans.

(v) Emergency and exceptional aid interventions: ECU 370,000 was granted in February 1990 for intifadah-related injuries through UNRWA; ECU 500,000 was allocated in May 1990 through MSF and UNRWA to relieve medical needs as a consequence of the Rishon Lezion massacre and subsequent incidents; just in 1991 and 1992 ECU 13.79 million was approved for exceptional food aid (total: ECU 14.47 million) through UNRWA. In December 1990 ECU 4.5 million emergency aid were approved by the Community to support the running costs of private Palestinian hospitals through the Dutch Red Cross. In 1992 the Community approved ECU 5 million to cover running costs of Palestinian hospitals in 1993-1994.

Aid to Palestinians

1. Aid to refugees through UNRWA, including all refugees inside and outside the occupied territories (in Lebanon, the Syrian Arab Republic and Jordan).

YEAR	EDUCATION	HEALTH	FOOD AID	TOTAL REG. PROGRAMME	EXCEPT. & EMERGENCY		GRAND TOTAL
					OT	NO-OT	
1971	-	-	0.2	0.2	-	-	0.20
1972	-	-	2.1	2.1	-	-	2.10
1973	-	-	5.6	5.6	-	-	5.60
1974	7.5	-	12.7	20.2	-	-	20.20
1975	-	-	11.1	11.1	-	-	11.10
1976	-	-	12.8	12.8	-	-	12.80
1977	-	-	14.5	14.5	-	-	14.50
1978	-	-	14.1	14.1	-	-	14.10
1979	-	-	14.0	14.0	-	-	14.00
1980	-	-	15.4	15.4	-	-	15.40
1981	-	-	22.6	22.6	-	-	22.60
1982	16.0	-	9.9	25.9	-	-	25.90
1983	15.1	-	11.4	26.5	-	-	26.50
1984	15.0	-	13.0	28.0	-	-	28.00
1985	17.0	-	13.7	30.7	-	0.25	30.95
1986	17.0	-	14.5	31.5	-	-	31.50
1987	20.0	-	15.1	35.1	0.20	1.45	36.75
1988	20.0	-	18.3	38.3	0.19	-	38.49
1989	20.0	-	19.2	39.2	0.29	-	39.49
1990	21.0	1.0	18.7	40.7	-	0.53	41.23
1991	22.0	2.0	20.2	44.2	12.66	1.14	58.00
1992	23.0	3.0	19.1	45.1	1.13	0.32	46.55
Total	213.6	6.0	298.2	517.8	14.47	3.69	535.96

According to UNRWA statistics an average of about 38 per cent of Palestinian refugees lived in the occupied territories. Therefore the amount from the total regular EC-UNRWA Convention to Palestinian refugees living in the occupied territories is ECU 196.764.

2. Emergency aid: In December 1990 the Community approved ECU 4.5 million in order to finance the running costs of private Palestinian hospitals through the Dutch Red Cross.

3. Development aid to the occupied territories, subdivided in: a) the direct Community aid programme which has been started in 1987 (Budget line B7-406 and B7-701) and b) co-financing with NGOs.

a) Direct Community aid programme (all figures in ECU):

Year	No. of projects	Allocation
1987	9	2,970,000
1988	10	3,000,000
1989	13	5,000,000
1990	29	6,000,000
1991	16	10,000,000
Exc. Aid	13	60,000,000
1992	25	12,000,000
Exc. Aid	1	5,000,000
Total	115	103,970,000

b) Co-financing with NGOs (all figures in ECU):

Year	Total value	EC contribution	No. of projects
1979	61,300	12,260	1
1980	93,405	11,005	2
1981	2,536,461	642,242	4
1982	1,038,548	506,970	3
1983	5,142,863	1,083,706	4
1984	1,700,091	704,828	2
1985	1,167,942	347,802	3
1986	1,428,521	733,115	10
1987	4,310,311	1,669,249	9
1988	972,292	493,110	18
1989	1,873,174	900,442	14
1990	4,483,858	1,957,396	6
1991	6,739,269	2,994,899	17
1992	1,139,063	477,030	4 *approximately
Total	32,687,098	12,534,054	97

Experts

Mrs. Roselyne Bachelot (France)
Member of Parliament, Assemblée Nationale

What are the means available to a parliamentarian for action in the field of assistance to the Palestinian people?

In approaching the topic that it was proposed that I should discuss here, I shall begin by saying that the capacity of parliamentarian, while engendering duties, also generates possibilities that must be exploited to the full if this designation is to assume its full value. Despite the assertion that most of the time foreign policy is the private preserve of the President of the Republic, there are channels that a parliamentarian can use in order to act and to conduct what might be called a kind of parliamentarian diplomacy.

I sincerely think that a parliamentarian is actually in a privileged situation. He has at his disposal a series of structures that enable him to obtain information and has, at the same time, the ability to "pass on" such information with a view to prompting, convincing or even applying pressure with a view to the implementation of any particular action.

I propose to set forth here the means that are at our disposal at the national and the international level, whether through official or unofficial channels, for action in the field that concerns us.

Official national level

There are several mechanisms within the French Parliament, as in other parliaments moreover, that allow a parliamentarian to call upon, inform and question his Government, but also, I repeat, to obtain information.

The principle of written and oral questions to the minister concerned makes it possible to call upon and attract the attention of the Government on any particular current event or basic problem.

Furthermore, committee work will enable the parliamentarian to obtain information: the Foreign Affairs Committee may decide, for example, to send a mission of parliamentarians to evaluate a particular situation or to hear an expert or other individual who is in a position to provide it with specific information. Such committee also has a privileged relationship with the Minister for Foreign Affairs and may thus influence his decisions.

We should also mention here the existence, both in the National Assembly and in the Senate, of interest groups and study groups that enjoy an official status in these two forums and provide an opportunity for fruitful contacts and exchanges by reason of their simple structure and the logistical assistance that can be afforded them.

I shall take as an example - since I belong to it - the French section of the Parliamentary Association for Euro-Arab Cooperation (PAEAC), which is officially recognized by the bureau of the Assembly and whose members customarily meet, on a regular basis, with the competent departments of the Ministry of Foreign Affairs and with prominent Arabs, including, of course, Palestinians, when developments so require or the opportunity presents itself. This facilitates timely action, as exemplified by the following. In collaboration with the study group on the Palestinian question, established by the Assembly in the 1980s, the PAEAC section intervened, for example, in the past, with the French Government to prevail on it to take action, as a permanent member of the Security Council, in favour of extending the mandate of UNRWA to Palestinian population groups that were not registered as "refugees". Similarly, more recently, the parliamentary members of these two groups, who had on several occasions met with the Commissioner-General of the Agency, urged the French Government to increase its contribution to the UNRWA general budget, and it was raised to 33 per cent.

I may add also that, through their political party, the parliamentarians are also in a position to intervene for the purpose of informing and/or urging action - which may be done both at the French level and at the European level. I shall revert subsequently to the example of the invitation extended by the socialist group of the European Parliament to President Arafat.

Lastly a word about local authorities. The fact that a parliamentarian frequently assumes the mandate of a municipal, general or regional councillor may enable him to act within one of those structures that have at their disposal funds that may be partly dedicated to providing material assistance to a particular Palestinian association or aid programme or even - why not envisage it - to provide training programmes to UNRWA.

Unofficial national level

Besides any personal relations that a parliamentarian may have when he commits himself to a cause, he may decide to join an association such as the Association médicale franco-palestinienne, the Association France-Palestine or others. Such is the case of a number of my fellow parliamentarians of the majority or the opposition. That enables them to acquire knowledge and, at the same time to take advantage of their capacity of national representative to act in the appropriate forums.

At the official international level, the possibilities of acquiring information and intervening are also quite broad.

Let us take the example of the Council of Europe: the oldest parliamentary assembly among European institutions, composed of the representatives of the parliaments of its member States, plays a motivating role by influencing by various means its intergovernmental activities. Because of its consultative nature, it can show daring and innovation in its proposals. Moreover, it chooses the subjects of its debates freely.

These are based on well-documented reports submitted within the framework of one of the specialized committees (political questions, human rights, migration and refugees, inter alia). I shall mention among its reports "Peace perspectives in the Middle East", prepared by my French former colleague J. P. Fourré, or "The situation of the Palestine refugees and the immigration of Soviet Jews to Israel", by Mr. Atkinson, or "The flow of refugees after the Gulf War", all dealing directly with the fate of the Palestinian people.

I may add that the subcommittee on the situation in the Middle East (of the committee on political questions) is, moreover, preparing for a fact-finding visit early next month to the West Bank, the Gaza Strip and Israel.

Through national parliaments where parliamentarians intervene and give follow-up to its proceedings, the Assembly has a genuine capability of applying pressure to member Governments. Indeed, every report is accompanied by a recommendation to the Governments of member countries. The recommendation relating to Palestine refugees asked them to increase their assistance to UNRWA, with a parallel request to the Israeli Government that it halt the deportation of Palestinians as being contrary to the provisions of the Fourth Geneva Convention.

The presence of members of the Parliamentary Association for Euro-Arab Cooperation in such an assembly is thus not without advantages. It can facilitate contacts and the organization of meetings and hearings with a particular Palestinian figure, as has several times been the case. It also counterbalances the presence of Israeli parliamentarians, who are, moreover, the only ones to enjoy the status of observer to this European institution.

I shall not linger over the activities carried out by the members of the European Community, since this subject is dealt with by Mr. Jean-Michel Dumont in his statement on the European Community and assistance to the Palestinian people.

I shall, on the other hand, revert to the possibilities, of arriving, through an unofficial channel of international relations, at a specific action taken up at the official level, and I shall mention some examples. These demonstrate what can be achieved by an organization such as PAEAC, which I term "unofficial" here inasmuch as parliamentarian membership is based on individual will and the Association has no organic link with the different institutions with which it nevertheless has privileged relations.

The first example concerns the invitation extended to President Arafat to come to Strasbourg to address the European Parliament in 1988. It was on the initiative of some members of PAEAC in the socialist group of the European Parliament that this invitation was launched. Once on the spot, Yasser Arafat was received by the President of the Parliament and several political groups. That initiative opened the way to the invitation launched by President Mitterrand to go to Paris the following year.

The second example concerns the Venice Declaration. On 19 April 1980, Khaled El Hassan was in the Palais de l'Europe in Strasbourg at the head of a delegation of the Palestine National Council for the purpose of participating in the Euro-Arab Parliamentary Dialogue, coorganized each year by PAEAC. Four days later, the Council of Europe adopted a resolution calling for recognition of the right to self-determination of the Palestinian people and the participation of the PLO in the peace negotiations. Two months later, in June, the EEC Council of Ministers issued the Venice Declaration, which took up the points that I have just mentioned.

In conclusion, I shall mention the actions initiated by members of the Association which I represent here, actions which, transposed to official forums, resulted in concrete measures. Twice a year, PAEAC organizes a delegation of members from different countries and parties which goes to the occupied territories (West Bank and Gaza) for contacts with prominent Palestinians and Israeli officials and a visit to refugee camps. Upon the return of one of these missions, Association members in the European Parliament asked that sanctions should be imposed on Israel as long as Palestinian universities and colleges were kept closed by the Israeli authorities. As this subject was also dealt with by Mr. Dumont, I shall not dwell on it.

Also at the conclusion of one of these missions, several members of PAEAC asked the Brussels Commission to appoint a representative to the occupied territories, entrusted with the task of administering and overseeing the assistance granted by EEC to the Palestinians. This representative is now installed, even if his status is still the subject of discussions between the Commission and the Israeli authorities, which have, naturally, been very reticent regarding the principle from the start.

I have concluded this statement which I hope will have convinced you that on the political plane the parliamentarian has not insignificant means at his disposal.

Mr. Jean-Michel Dumont (Belgium)
Secretary-General
Parliamentary Association for Euro-Arab Cooperation

The European Community and assistance to the Palestinian people

I have been asked to speak to you about assistance given by the European Community to the Palestinian people. I shall confine myself to the assistance provided by the Community as such, without reference to what is being done by its members individually, and I shall deal with the subject having regard to its three components, the humanitarian, the economic and the political, all three, of course, being interdependent. Moreover, as there is a representative of the Commission here who will undoubtedly give the details of the humanitarian aid provided, and since I for my part, as Secretary-General of the Parliamentary Association for Euro-Arab Cooperation, am at the service of parliamentarians, it is on the political aspect of the decisions taken that I shall dwell in my statement.

Originally, the European Community was solely an economic community, which is, moreover, the reason why it has long been called just the "Common Market". Some degree of political integration has gradually followed on economic integration. It may go even further when the celebrated Maastricht treaty has been adopted.

Historically, the assistance provided by the European Community as such was first of all, logically, economic. Beginning in 1971, there was financial assistance to the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). That reflected the perception of the Palestinian problem by the countries that then composed the EEC, which considered it as being essentially a refugee problem.

This aid to UNRWA increased regularly, independently of assistance provided by member States individually, as from ECU 200,000 in 1971 to ECU 46.5 million in 1992, equivalent to that given by the United States. Parenthetically, if that aid were added to that of member States, it would make the Community today the primary contributor to UNRWA, far ahead of the United States.

Two years after the commencement of this first assistance from the Community, there emerged in the wake of the 1973 war a will towards coordination of the foreign policies of the States members of the European Economic Community, in response to the Arab oil embargo. Little by little, the EEC would rediscover the realities of the Middle East and take into account the justified grievances of the Arab States and the Palestinians. This evolution may be perceived through a series of common statements by the nine members who then made up the Community. The first were those of Copenhagen in 1973, Paris in 1979 and, the best known, Venice in 1980. This last mentioned is important to all concerned, because it recognized for the first time that the Palestinian problem is not, I quote, "simply one of refugees". The adoption of this declaration naturally corresponded to a change with regard to assistance; from 1980 on it would no longer be limited to just refugees. In addition to the aid provided for refugees to UNRWA, assistance would also be provided to all the Palestinian inhabitants of the occupied territories through Jordanian institutions and the co-financing of all NGO projects.

The total of this assistance for the period 1980-1992 amounted to ECU 12.5 million.

The year 1986 marked a new turning-point with the creation by the Commission of the Economic Communities of a specific budgetary head entitled "Assistance to the occupied territories" and concrete support for the development of the Palestinian economy through the granting of preferential access of its products to the community market.

Direct financial assistance to the occupied territories, which totalled ECU 104 million for the period 1986-1992, was governed by three essential rules:

- It must be intended for the Palestinian population of the occupied territories;
- The Community would inform the occupying Power but would not seek any Israeli approval for its provision;
- It could not cover needs for which responsibility lay with Israel as the occupying Power under international conventions and, in particular, the Fourth Geneva Convention.

With regard to the new possibilities for access to the European market for Palestinian products, the démarche was original. The Commission had proposed to the Council of Ministers, which concurred, a regulation on Palestinian exports granting them rights comparable with the products of the coastal States of the Mediterranean linked to the Community by a cooperation agreement. It was a question of a unilateral decision, since there was no entity with which to sign an agreement. That made it possible to consider the occupied territories as an entity distinct from existing States and, accordingly, had a political implication which did not escape the Israeli authorities. That was why those authorities opposed its implementation until the European Parliament obliged them to, in 1988, by blocking three protocols relating to Israel for 10 months.

The European Parliament had already played an important role in what I have termed the "turning-point" of 1986. In the meantime, its will to action would be encouraged by the intifadah, with a new realization by Europe of the realities of the Middle East, and this Parliament would play a motivating role among European institutions, until August 1990 and Iraq's occupation of Kuwait.

Thus, in January 1990, the European Parliament would request and partially obtain a freeze on scientific cooperation with Israel in order to achieve respect for the right to education in the occupied territories. In June of the same year, the Parliament would ask for the nomination of a delegate of the Commission of the European Communities in the occupied territories, and that request would be followed by a decision of principle by the Council of Ministers a few days later. That decision was justified by the need for on-the-spot follow-up of the assistance provided, but it was obviously not without a political dimension. There is, moreover, a reason why it has not yet been completely implemented; the delegate in question is today still based in Brussels but goes regularly to the area furnished with a diplomatic passport. At the same time, exceptional assistance of several million United States dollars was provided to the Palestinian people, which was then in its third year of the uprising against the occupants.

The partial freeze on scientific cooperation with Israel merits further attention. Its purpose was to force Israel to put an end to a flagrant and persistent violation of the Fourth Geneva Convention of 1949 relative to the Protection of Civilian Persons in Time of War. Article 1 of this text provides that "the High Contracting Parties undertake to respect and to ensure respect for the present Convention in all circumstances". That is a clear obligation to act for every signatory State, but, as is generally the case in international law, no sanction has, however, been explicitly laid down for anyone infringing the Convention. On the basis of this situation, States may go further: if sanctions are not explicitly provided for, they may nevertheless be imposed. However, it is obvious that such a decision is eminently political, particularly since several European States regularly say that they are opposed to the very principle of sanctions.

While Israel had, since the beginning of the intifadah, closed all educational establishments in the occupied territories, in violation of article 50 of the Convention, and although that situation had lasted for more than a year, the European Parliament had first of all, on 25 May 1989, called for a move on the part of the Twelve. Six days later, the Twelve had made their first statement on this subject. This declaration and other European and United States initiatives resulted in the gradual reopening of primary and secondary education establishments. The Twelve then made a second declaration, on 9 October, launching a solemn appeal for the complete reopening of all establishments at all levels. Since that appeal has not produced any effect, the European Parliament had reverted to the subject in 1989 and requested the European States to consider a freeze on certain bilateral cultural agreements. Since no State took any decision to that effect, the European Parliament addressed itself to the Commission of the European Communities, on 18 January 1990, and requested an immediate freeze of the budgetary line for scientific cooperation with Israel. The Commission, for its part, took action: on 24 January, the Israeli Minister for Energy, who came to Brussels to sign an agreement with EEC, departed empty handed, since the competent Commissioner refused to sign following the adoption of that resolution by the Parliament. A few days later, on 9 February, the Commission officially took a series of measures, including a freeze on the study of any new project for scientific cooperation with Israel.

These decisions, while constituting very limited sanctions, bore fruit very quickly, inasmuch as on 28 February Israel announced the reopening of Palestinian colleges of higher education, and then, on 15 May, consideration of the progressive reopening of certain universities.

Lastly, however, the process did not fully reach culmination because the Gulf crisis intervened. Although the reopening of two universities actually occurred in September 1990, all the establishments, at all levels, were closed once again on 14 January, on the eve of the Security Council's ultimatum to Iraq. On 29 January, the Commission of the European Communities, disturbed by the first salvoes of Iraqi missiles over Tel Aviv and urged by the Council of Ministers to make a pro-Israel gesture, decided to set up new projects for scientific cooperation with that country.

Whatever the outcome of that, experience has shown that, in order to oblige a third State to respect human rights, Parliament and Commission may agree where States, individually or collectively, are not ready to go beyond mere declarations. By this joint action, the Parliament and the Commission caused the European Community, which, it should be emphasized, is not a signatory to the Fourth Geneva Convention, to act, as it were, as a substitute for the defaulting States.

All these advances would be brutally halted by the events of August 1990. The lack of clear condemnation by the PLO of the occupation of Kuwait, combined with the reserved attitude of Israel, which did not reply to the Iraqi Scuds, would considerably damage the political support which the Palestinian people had begun to enjoy. Fortunately, although the Europe of the Twelve decided to boycott contacts with the leadership of the PLO, a boycott that was not lifted until February 1993, it decided at the same time to provide, in addition to the various programmes already mentioned, exceptional assistance in the amount of ECU 48 million or a little over $60 million, to the Palestinian people, for whom the Gulf war catastrophe had been added to the cost of the intifadah and the sufferings of the occupation.

Since the Gulf war, many things have changed. The Arab world is clearly divided, and the Palestinians are in the losing camp. The United States, which has now relativized Israel's strategic potential, has used its hegemony to persuade the parties to the Middle East conflict to embark on a peace process. The European Community is taking part, but solely as a financial contributor, as the United States and Russia, the heir of the USSR, remain the only political sponsors of the negotiations. However, following the disappearance of the USSR as guarantor of a certain balance and the advent to power in the United States of a new Administration that is very favourable to Israel, it appears increasingly necessary for Europe also to have the role of political sponsor of the negotiations if they are to arrive at a durable and not too unjust solution.

There are indications of a new will on the part of the European Community to be more involved again in political assistance to the Palestinian people, particularly if the Americans were to prove incapable of getting the peace process going again. It is only logical. Is it imaginable that the Europe of the Twelve will remain politically uninvolved for long when Israel, like the PLO, moreover, is requesting that it invest in the occupied territories and, at the same time, the Israeli Government's actions are effectively ruining the very basis of the Palestinian economy. To cite just two recent examples of such actions, I shall mention first the prolonged closure of the occupied territories, which has an adverse impact on employment but, in addition, halts any exports from that region, which is not justifiable on any grounds of security. I shall then mention the destruction, which went largely unnoted by the media, of the principal factory in Gaza, the Seven-Up factory, on the night of 29 to 30 March. This destruction was carried out by the army the day after the closing of the Gaza Strip and seems to have had no other purpose but to remove an enterprise that presented too much competition for Israeli rivals.

Among the indicators that the Europe of the Twelve might become more involved politically, we should mention the fact that the Belgian Minister for Foreign Affairs, Mr. Willy Claes, who will, in less than three months, preside over the Council of Ministers of the Community, went to Tunis on 8 February to meet the Chairman of the PLO. We may mention also the fact that Belgium, a few months before its presidency, very recently granted regular diplomatic status to the Palestinian representation at Brussels, which, parenthetically, had been requested by the Belgian Parliament unanimously since 1989. Luxembourg has done the same, which means that today that status is accorded to the PLO in half the States members of the European Community.

In conclusion, I should say that the Community has unquestionably come a long way in the matter of assistance to the Palestinian people since its first contribution to UNRWA in 1971 but has generally favoured economic assistance over political assistance. This does not mean that very important political gestures have been made, but never, up to now, on the initiative of the Council of Ministers.

The Community invested in assistance for the creation of an economic infrastructure in the occupied territories in the 1980s and opened its market to Palestinian exports in 1986. It went further after the outbreak of the intifadah, sanctioning Israel for the first time and appointing a representative to the Palestinian population. Now, after the Gulf crisis, it is clear that the Community is ready to invest further in economic assistance to the Palestinian people. It is clear also that, in the political field, it accepts United States leadership of the peace process, because it is the United States that managed to initiate it. However, it is certain that, realizing that Europe has more interest than the United States in seeing this process succeed, several of these members are preparing, if necessary, to extend this to political initiatives that would, this time, emanate from the Council of Ministers.

Mrs. Ingbritt Irhammar (Sweden)
Member of Parliament, Riksdagen

The week before Easter, I visited Jerusalem, the West Bank and the Gaza Strip with a delegation of Members of Parliament from Europe. I will share with you some of my experiences, thoughts and ideas concerning assistance to the Palestinian people after this short but interesting and comprehensive trip, where we met with many different persons in the area and also visited refugee camps.

Among others we met with Members of Parliaments from parties belonging to both the opposition and the Government in Israel. We talked to the Deputy Minister of Foreign Affairs, Dr. Yossi Beilin and Colonel Freddie Zach, responsible for the West Bank. We also had interesting discussions with many representatives of the Palestinians, with representatives of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), with consuls of different European States in Jerusalem, human rights organizations and journalists, among others.

My experiences are of course very rhapsodic compared to much more thorough knowledge that many of you in the audience have with years of practical work among the Palestinians in the occupied territories. You have, though, to take into consideration, that I am a politician, a Member of Parliament, and therefore have certain goals with my work, which may differ a little, or a lot, from your ambitions. And without political will, not much can be done.

In Sweden I have been a parliamentarian since 1985, and before that I was a teacher for 18 years. In the Parliament, I have been involved in foreign affairs matters since 1988, mostly with human rights issues. In the Women's League of the Centreparty, where I am vice-president, I am also in charge of our assistance programmes for women and children in different developing countries.

With that short description of my background, I will present to you my hopes for the future of the Palestinian people and how I look upon the future assistance for them. I presume that we all hope for the peace process to be able to proceed to successful results. For me that means that in the near future the peace talks will lead to an end of the occupation with self-determination and the establishment of an independent State for the Palestinians and at the same time, safe borders for the Israelis. If results in the peace talks are not achieved within the near future, I fear that violence from both sides will increase dramatically and that is frightening, so let us hope for the best.

Different assistance programmes must be aimed at developing increased self-reliance and assistance towards self-help so that Palestinians in different communities will be drained to take over administration, services and self-government when the time comes. Self-determination and Statehood should be preceded by a period of capacity building and strengthening of Palestinian institutions. Such a process would prevent the risk that the Palestinians suddenly find themselves in the same situation as the Baltic countries were in when they got their independence. At that time many Estonians, Latvians and Lithuanians were in the state of "Homo Sovieticus", as they themselves call it. That means that other people, in that case the former Soviets, had planned and had been thinking for them for so many years that the Baltic people had difficulties to adjust themselves to the new situation with full independence.

Regarding planning for the future as an independent State, I felt very strongly during our roundtrip that Palestinians were thinking more in political terms than in practical planning for the future, at least when it comes to the question of the size of families. This needs to be changed. It is absolutely necessary with more family space programmes both because of overpopulation in the area but also because of problems related to the health of mothers and children. We were told, for instance, that every woman in the Gaza Strip needs to be given blood transfusion before she could give birth. Six per cent of the children in the Gaza Strip are under-nourished and child mortality rate is high. The population increases 5 per cent per year in the area.

Questions that the Palestinian must ask themselves are, how they will be able to manage such an increase of the population in the future with limited territory and economy. How will they be able to create jobs for their people? How will they manage environmental problems with overpopulation? How will they be able to afford health service, education, housing, among other problems? And regarding health service, I was told a couple of times by Palestinians that when they did not have to pay anything for health service, it was not good for their self-esteem. But they also said that this should have been taken into account when the health programmes started. The economic conditions are at present so poor for most families, at least in the Gaza Strip, that many have difficulties paying even a small amount.

I was informed about many constructive programmes and activities for an improved environment during my visit. On the other hand, so much more is needed. The Israelis must strongly be criticized for their refusal to support the Palestinians in the camps, especially with drainpipes for wastewater and waste management. However, there are things the Palestinians could do to improve things themselves in this area.

I felt a need for information and planning programme for recycling. There are enormous problems with waste all over the Gaza Strip but also in the West Bank. If every household learns which goods could be recycled, the amount of waste could be diminished substantially. Since many women are in charge of the household, it would be useful to turn to them and the children with this information, why not within different women programmes.

The delegation visited different camps with education programmes, disability programmes and programmes for women, all very impressively conducted, and very well indeed. I specially remember the UNRWA Khan Younis Women's Programme Centre in the Gaza Strip. Because of the social segregation between men and women, it was of great importance for women to have their own centres where it was socially accepted to go. In these protected centres they can meet and discuss common problems. In the Khan Centre, a centre for vocational training, women learned to sew and how to become hairdressers so they could start their own businesses. The only library for Palestinian women in the whole Gaza Strip is also located in this Centre. It is a small library but it could easily grow with the help of different non-government organizations (NGOs), for instance.

It also struck me how many women in the Gaza Strip now covered their bodies totally. I was told that this was because of Islamic fundamentalism spreading in the area, much because of the disappointment, lack of confidence building measures from the new Israeli Government and lack of results in the peace talks.

It was sad to find out how well-educated women, with years of university studies and degrees behind them, had nothing else to do than give birth to children, take care of the household, and lock themselves in the house every night at nine, with the rest of the family because of the curfew. With no television, no newspapers, what else can we do but produce children, one women sighed. For these women, the women centres are welcome and needed meeting places to exchange ideas. These centres are also places where child spacing programmes can be introduced and discussed.

The delegation also visited small industries financially supported by UNRWA. In this way factories and plants have been able to start and generate more jobs. Increased employment is of course most need now as well as in the future with the present high rate of unemployment in the territories. More Palestinians will lose their jobs because of the problems created by the Israelis for the Palestinians working in Israel and also because of the problems of the Palestinians in selling their merchandise after the closure of the occupied territories.

There are great efforts made and many problems found with raising money in different Governments and by NGOs all over the world to help the Palestinian people with, for instance, agricultural programmes for a better economy. Therefore, it makes me so angry when thousands of dollars or Swedish crowns are wasted because of the Israeli closure of the territories. Fruits and vegetables have to rot instead of being sold. That way the Palestinian economy would not improve by itself. It is such a waste of donor money!

The delegation also visited the Seven-Up factory in the Gaza Strip just a couple of days after 50 Israeli soldiers and technical personnel, without legal rights, had stormed into the factory and destroyed machines and equipment for enormous amounts. As it seems, the purpose of the action was to prevent the Palestinians from strengthening their economic independence. I find that disgusting!

Therefore, I see my role as a parliamentarian not only giving economic support to the Palestinian people but also to try to put pressure on the Israeli Government to respect human rights in the area and to focus on confidence-building measures. The Palestinians must also put pressure on their own people to stop the killing of Israelis, killings which I also condemn. By creating a more confidence-building atmosphere, I think that the peace process will be given a chance to bring peace to this part of the Middle East. There are many of us that work and long for that.

The role and experience of countries involved in assistance projects in the occupied Palestinian territory

Statements by representatives of donor countries

Sweden

(A copy of the statement of the Government of Sweden was not available at the time of the publication of this report.)

The representative of Sweden stressed the importance of the principles of the peaceful settlement of disputes; the ban on the acquisition of territory by force; and the right of all States, including Israel, to live within secure and internationally-recognized borders. Israel's occupation of Palestinian territory should be brought to an end on the basis of Security Council resolutions 242 (1967) and 338 (1973), which embodied those principles.

He said his country had decided to initiate a long-term bilateral development programme with the Palestinians living in the occupied territories. That assistance aimed at alleviating acute suffering in the territories and reducing Palestinian reliance on Israel, particularly in the health and social sectors. It also aimed at helping to develop a social structure that could be the base of a future society free from occupation. It was intended to contribute to economic development in order to stimulate employment. It also aimed at alleviating the situation of the Palestinians in terms of the enjoyment of human rights.

Sweden channeled much of its multilateral assistance through the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), while its bilateral efforts focused on health, human rights and institution-building. He said a dialogue had been opened with the Palestinian political leadership, aimed at making a modest contribution to the institutions of a future Palestinian State. In general, Sweden's financial contributions to all these efforts were not earmarked. However, the projects involved should strengthen the basis for independent Palestinian economic development.

Spain

Presented by
Mr. Emilio Sanchez Iglesias

I should like to begin by reaffirming the importance attached by Spain to aid for the Palestinian people in the context of the peace process launched in Madrid in October 1991.

For historical and political reasons, Spain has always devoted special attention to the Middle East. We view the Mediterranean region as an area of common interest.

I. REVIEW AND EVALUATION OF EXISTING AID PROGRAMMES

The main Spanish aid programmes for the Palestinian people are as follows:

(a) Contribution to the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA).

Spain's contribution to UNRWA has increased progressively in recent years, reaching a level of $2.5 million in 1992.

(b) Contribution to aid programmes of the European Economic Community (EEC).

Spain contributes to EEC aid programmes for the occupied territories, providing a sum equivalent to 8 per cent of the total budget.

In 1992, Spain's contribution was in the region of $1.5 million.

(c) Bilateral contributions.

Several projects by Palestinian agencies in the occupied territories received funding from Spain amounting to $1 million in 1992.

II. IDENTIFICATION OF NEEDS, PROBLEMS AND OBSTACLES

The following remarks can be made regarding Spanish aid to the occupied territories:

(a) Problems are experienced in the selection, development and execution of projects which have received aid;

(b) The projects proposed need to be more clearly defined;

(c) Greater control should be exercised over the development of each project in order to avoid distortion;

(d) Greater coordination is needed between the various Palestinian agencies, with each specializing in individual sectors in order to avoid duplication;

(e) A general plan of action should be drawn up in order to improve coordination of the different aid components for the occupied territories.

Past experience leads us to believe that an overall strategy should be drawn up in coordination with the other main donors, including the European Community, European countries, Japan and the United States.

III. DRAWING UP STRATEGIES TO MEET NEEDS AND OVERCOME OBSTACLES

1. The political situation created by the occupation

The first factor to be taken into account in connection with aid to the occupied territories is the exceptional situation created by the Israeli occupation and the conditions that state of affairs inevitably imposes.

2. Absence of an administration to act as beneficiary

A further obstacle in providing aid to the occupied territories is the absence of a Palestine administration there. There is not even a central economic authority with which it would be possible to review and channel the aid provided.

3. Profusion of beneficiaries

The role which should be played by a Palestinian administration is actually filled by a range of local institutions and agencies created by the various political and economic groups organized in the occupied territories.

4. Lack of coordination between the different beneficiaries

The main consequence of the profusion of beneficiaries is the lack of the coordination which should exist between the different institutions in order to overcome, as far as possible, the absence of a local administration.

5. Deficiencies in the economic structure of the occupied territories

The consequences of the Israeli occupation, the absence of a local administration, Israel's attitude to the economy of the occupied territories and the distortions caused by the political problems there have seriously damaged the economy of the occupied territories. In fact the economy of the West Bank and the Gaza Strip is at present totally dependent on the Israeli economy.

6. Detachment from the world economy

The situation described above explains why the Palestinian economy is to a large extent cut off from international economic channels. This is a serious obstacle to external trade, which has to be conducted through the Israeli legal framework. Finally, mention should be made of the fact that the Palestinian financial system is not independent but is subject to the authority of the Israeli Central Bank.

IV. CONSIDERATION OF THE ARRANGEMENTS, MACHINERY AND COORDINATION NEEDED TO PROVIDE EFFECTIVE ASSISTANCE TO THE PALESTINIAN PEOPLE AND TO PROMOTE SUSTAINABLE DEVELOPMENT

1. Aid to the Palestinian people and the peace process

It seems clear that the launching of the peace process in October 1991 led to the creation of a new situation with regard to aid for the Palestinian people, which must be seen in the context of the development of this process, taking into account the consequences it may have for the political and economic future of the occupied territories.

Clearly, our fundamental objective must be to work together to create a national Palestinian economic structure in the occupied territories. If the peace process moves ahead as planned, a provisional regime will need to be established in the medium term with a transitional Palestinian authority, leading to a permanent solution in five years.

One of the first responsibilities of the new Palestinian administration should be to establish such a national economic structure, which is currently lacking, and to formulate an economic and national development plan for the various sectors and sub-sectors.

With that in view, Spain firmly supports the establishment of a Palestinian development council with the task of centralizing and coordinating the contributions made by various countries in order to finance a whole range of development micro-projects in the occupied territories.

In this connection, it is important to bear in mind the proposals for confidence-building measures in the economic sphere put forward at the meeting of the Working Group on Economic and Regional Development of the Peace Conference on the Middle East, held in Paris on 29 and 30 October 1992.

These proposals include, in particular:

- Simplifying customs formalities for products originating from and intended for the occupied territories;

- Reducing and readjusting taxes on the basis of non-discrimination and a fair return on social investments and contributions;

- Publishing a budget for the occupied territories;
- Abolishing Israeli restrictions on exports from the occupied territories;
- Authorizing the establishment of new banks and authorizing existing banks to provide a full range of banking and financial services;
- Introducing measures to ensure free movement of persons between the occupied territories and Israel, between the Gaza Strip and the West Bank and between the occupied territories and Jordan.

Finally, we hope that the bilateral negotiations just resumed in Washington and the forthcoming meetings of the various working groups of the multilateral round of the peace process will pave the way for a just and lasting peace.

Italy

Presented by
Dr. Antonio Aloi (Expert-Health sector)
Dr. Lucia Pieroni (Expert-NGOs sector)
Directorate general for Development Cooperation
Ministry of Foreign Affairs, Italy

Italian aid in the territories

The latest annual report to the Italian Parliament on the implementation of development cooperation policy stated that "Italian cooperation in the occupied territories of the West Bank and Gaza has assumed considerable dimensions of late in various sectors. This places Italy among the major donors and certainly in first place as regards the health sector".

This is confirmed by United Nations Development Programme (UNDP) statistics: in the past three years, Italian cooperation's commitment, both bilateral and through non-governmental organizations (NGOs), has been worth over $32 million. This is second only to the European Community and does not include the vast sums made available to international organizations at work in the area for which Italy is a major donor.

The first health initiative was implemented between 1986 and 1987. Aimed at organizing an emergency treatment department for the municipality of Bethlehem and distric, it also provided an opportunity to make a more in-depth analysis of the Palestinian's complex socio-health situation in the occupied territories.

In 1987, it was decided to meet the Palestinian request for action designed to boost the hospital bed capacity and strengthen health structures throughout the area. This programme, implemented bilaterally in part and partly through UNDP, was designed to satisfy the basic needs of the West Bank population. The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) was commissioned as the executive body of another project with the same aim for Palestinians in the Gaza Strip.

In July 1989 the programme "Medical Personnel for the Occupied Territories" was launched for a total Italian cooperation commitment of over 9 billion lira. Implemented by "direct management" and currently under way, it entailed posting over 30 Italian doctors and paramedics who are working alongside Palestinian colleagues with the joint goal of improving the already operational health system; this, in a socio-political scenario, rendered more dramatic still by the intifadah and later by the consequences of the Gulf conflict.

No new structures were created but an attempt was made to foster the greater cohesion of existing structures by, at the same time, integrating Italian activities with those of international organizations on site. The initiative thus concerned primary health care, hospital services and training. In a special way, the Italian action meant effective support in the Tulkarem district for a committee of local primary health care NGOs and this fostered a new unity between the various Palestinian groups. At Gaza a surgical teaching team and the nursing school team were formed.

In Nablus another nursing school was instituted and specialized units were set up here in Jerusalem, Hebron, Bethlehem and Gaza. Another result of this initiative is a survey of the health situation in the territories.

As regards multilateral initiatives, Italy is proving to be one of the main supporters of UNRWA and UNDP activities in the occupied territories.

In 1991 Italy was the fourth ranking donor to UNRWA and has been lending its support to the Agency for a decade. It takes the form of an annual voluntary contribution and "tied" contribution for specific initiatives.

In 1991 and 1992, UNRWA destined part of the Italian voluntary contribution (18 billion lira last year), at Italy's request, to some sectors of special interest for the country: health, vocational training, housing and environmental rehabilitation in a refugee camp, as well as socio-economic promotion. A significant share of these funds was destined to the Gaza Vocational Training Center, which Italian cooperation has been supporting in a special way since 1975.

In 1991 a "tied" contribution of over 2 billion lira funded technical assistance and the supply of equipment to the health centres of some refugee camps. Another "tied" contribution of Lit. 2.5 billion in 1992 was used to modernize the Kalandia Vocational Training Center, an UNRWA-managed school in the West Bank.

With UNDP, the Italian cooperation is implementing significant initiatives as a programme for rehabilitating the sewage network in the district of Bethlehem. The initiative concerns about 150,000 people and it is co-financed by German cooperation and with the participation of the municipalities of Bethlehem, Beit Sahur and Beit Jala. Italian cooperation helped in implementing this initiative, currently under way, with an allocation of over 8 billion lira. Other important initiatives implemented through the UNDP channel are a citrus processing plant in Gaza with an allocation of 9 billion lira and restructuring of three hospitals with an allocation of 10 billion lira.

The role of Italian NGOs is noteworthy. Cooperation activities carried out in recent years by Italian NGOs in Palestine represent an important effort of solidarity on the part of civil society towards a population forced to live in the distressing conditions of military occupation, especially after the outbreak of the intifadah.

Since 1989, the year of the Steering Committee's first resolutions, the Directorate General for Development Cooperation has approved 13 NGO projects and 14 small-scale initiatives for a total commitment of over 11 billion lira. Apart from one initiative at the request of the Bethlehem city government to enhance the local Salesian technical school, most were NGO-promoted projects by organizations which had applied for Ministerial recognition under the current law and a contribution. The health sector was preeminent in this case, too. Initiatives were mainly aimed at satisfying needs for primary health care and schooling, especially in the northern area of the West Bank (at Jenin, in collaboration with the Union of Palestinian Medical Relief Committees). The pediatric sector was also a target (at Hebron, in collaboration with the local Red Crescent).

In addition, some micro-projects in the health sector sustain the activities of local associations such as the Gaza Blood Bank, the Health Services Council and the Palestinian Counselling Center.

Recently NGOs have begun to consolidate activities in other sectors. Agricultural action is on the rise: the village agricultural support project with the Palestinian Land Research Committee which intervenes in various localities of the West Bank; support for the Hebron Technical Center for Agricultural Services; the evaluation of a particularly demanding initiative for agricultural product marketing to assist a Jericho cooperative which, with its 2,500 members, is the largest in the occupied territories. A now completed micro-project, in collaboration with the Latin Patriarchate's Development Office has led to the installation of an agricultural water tank at Zababdeh, Jenin.

Activities in this sector are particularly significant in that they help foster the use and, therefore, the right to hold land on the part of the Palestinians. This supports job creation and curbs mass emigration.

Also increasingly to the fore are activities in the sector of both formal and informal education. An Italian NGO is already committed in this field and for the past few years, it has been sustaining a campaign for the "adoption", by correspondence, of young Palestinians. In addition it liaises with various West Bank and Gaza educational structures.

Then there are micro-projects in support of centers concerned with human rights and research, flanking the work of Palestinians technicians in tackling such problems as environmental hygiene (drinking water treatment at Gaza and waste disposal and hygiene education in the West Bank).

In implementing their projects the NGOs elected to deploy mainly local human resources; Italian cooperators remain on site for just a few months and attend to training. A coordinator, a physiotherapist, a pediatrician and an audiometrist are currently at work. A minimum Italian staff was also maintained during the Gulf conflict when ordinary activities envisaged under the projects were suspended and NGOs undertook emergency action (mostly the shipment of health materials and food for the populations of villages struggling to live through long curfews).

Finally, the Directorate General for Development Cooperation has been pursuing an interesting initiative for years in the specific sector of training for your Palestinians who are granted scholarships in Italy in various field of specialization. In the 1991-1992 academic year, over 140 scholarships were granted to Palestinian students.

In implementing their projects the Italian cooperation has permanent staff in Jerusalem to coordinate all the cooperation activities on site (bilateral - multilateral - NGO).

For the future bilateral activities the Italian cooperation is studying with the Palestinian representatives projects regarding: the reorganization of the health services among the school population, a training programme with the Bethlehem University, a project for the drinking water in Gaza, an agricultural initiative in Jericho and other NGO projects. The total estimated financial commitment could be about 12-15 billion lira.

France

French assistance to the Palestinians

French assistance to the Palestinians in the occupied territories represents an annual bilateral effort of approximately $3 million, to which should be added the contributions channelled through the European Community and the agencies of the United Nations system. This assistance is intended to meet the immediate needs of economic, social and cultural development, but is now also aimed at preparing qualified Palestinian personnel for the possible accession of the occupied territories to autonomy. To this end, a special programme of 100 fellowships for Palestinians to train in France was started this year, while assistance by France is growing in financial terms and diversifying, particularly towards private investment.

This presentation on France's assistance will be based on the following three points:

The past and present purposes of the assistance;
The resources made available and the partners;
Future prospects, with particular reference to the autonomy of the occupied territories.

I. The past and present purposes of French assistance to the occupied territories

The central purpose of French assistance to the Palestinians in the occupied territories is to train qualified personnel at the higher or intermediate levels in the sectors of agricultural and industrial development, health, and school and university education. Cultural and leisure concerns, particularly where young people and the inhabitants of refugee camps are concerned, have not been overlooked.

A. Economic assistance

Agriculture for food production and industrial development through small- and medium-sized enterprises are the two priority branches for French economic assistance.

(1) Agricultural activities

The primary aim is to meet important personnel training needs in the areas of:

Dairy produce processing techniques;
Advanced irrigation techniques;
Techniques of cultivation under glass;
Home economics.

Close collaboration has been established for the purpose with the French Ministry of Agriculture in connection with the Falamiah project and takes the form of training courses in France or on the spot, particularly in conjunction with the non-governmental organization, Vétérinaires sans Frontières.

New activities have been initiated in the areas of bee-keeping (installation of a pilot hive for breeding queens) and date palm growing (in-vitro cultivation), hydrology and the environment (technicians are invited to France).

(2) Industrial development activities

The aim is to enhance the skills of Palestinian industrial milieux, in particular by means of activities for intermediate personnel and technicians.

The following operations have been carried out for this purpose:

Support for the Palestinian pharmaceutical industry;

Advisory services and training have been provided for technicians with a view to achieving European quality standards in due course;

A programme, now completed, of loans from a French NGO, the Société d'Investissement et de Développement Industriel (SIDI), to small- and medium-sized Palestinian enterprises;

The holding of training seminars in industrial matters in conjunction with a Palestinian NGO, the National Fund for Investment and Development.

B. Assistance in the sectors of health, and school and university education

(1) Activities in the area of medicine and public health

The purpose is to provide support to the Palestinian health system by training, exchanges of experts and the development of a genuine partnership, principally with the following three Palestinian institutions:

The Makassed Hospital, the largest hospital in the occupied territories, for surgery and paediatrics;
The Medical Relief Committee, or primary health care and prevention;
The Bethlehem Arab Society, for the disabled.

(2) School and university education

Where school education is concerned, activities combine improving the linguistic skills of French teachers and refresher courses for teachers who already have organizational responsibilities in their educational establishments.

Exchanges with Palestinian universities will be expanded following a programme directed at the colleges of technology. These developments should cover areas such as science and technology, the social sciences, politics and law, as well as agriculture. The methods chosen are exchanges of high-level academics and provision of documentation.

C. Support and exchanges in the area of culture and communication

Measures to promote economic and social development are paralleled by a programme of exchanges and support for activities relating to culture and the media.

(1) Cultural cooperation

(a) For all their considerable material difficulties, the Palestinians do not overlook cultural needs, and they seek opportunities for working together with France. This is demonstrated by the initiatives taken by the Palestinians, for example, in 1992, the opening of a gallery of contemporary art, the creation of film festivals, a puppet festival in Jerusalem, a music festival at Bir Zeit University, and the translation and staging of a work by Kafka. In 1993, two international events have been planned on dance and mime in Jerusalem and traditional music at Bir Zeit.

(b) France's support for these initiatives mainly takes the form of:

Participation in the puppetry, mime and dance festivals in East Jerusalem, the music festival in Bir Zeit, and the film festival in Jerusalem;

Artistic events at the French cultural establishments in Bethlehem, Ramallah, Nablus, Gaza and Jerusalem;

Technical training activities;

Invitations to festivals in France;

Theatrical co-production in Gaza;

Supplies of books and magazines both to French cultural establishments in the occupied territories and to cultural institutions and agents in Paris, theatres, art galleries, and persons in charge of cultural departments at universities.

(c) In addition, for the last two years, activities have been carried out with the United Nations Relief and Works Agency for Palestine Refugees in the Near East for the benefit of the 700,000 Palestinians in camps in the West Bank and Gaza. Introductory courses have been held in photography, music and theatre. This activity will be continuing in 1993.

D. Cooperation in the media sector

In addition to the training of newspaper journalists in France, France is contributing to the training of a high-level technician in France and to the training of directors in the occupied territories, using graduates of the Ecole des Beaux-Arts et des Sciences Politiques.

II. The resources made available and the partners

Various French Government departments and non-governmental organizations (NGOs) have mobilized extensive resources for the activities of cooperation with the Palestinians in the occupied territories. The Consulate-General of France in Jerusalem plays the role of initiator, coordinator and monitor.

A. The French Government departments mobilize in support of precise projects with specified objectives and means.

The primary authority concerned is naturally the competent directorate of the Ministry of Foreign Affairs, which takes various forms of action: fellowships for studies and training in France, either in French or in English, assignment and hosting of experts, provision of documentation and small supplies, etc.

Other departments also contribute by making experts available for short periods, offering places in professional schools, etc. The Ministry of Agriculture, the University Hospital Centres, the Ministry of Health and the Ministry of Infrastructure are among the most active government agencies. The universities are also open partners, both for the traditional disciplines and for the colleges of technology.

B. The mobilization of resources by France is not confined to the Government departments but also concerns, in particular NGOs, often acting in liaison with the State.

Véterinaires sans Frontières either conducts activities independently (development of dairy production in the West Bank and Gaza) or complements activities financed from public funds, for example the dairy produce processing project.

The Société d'Investissement et de Développement Industriel (SIDI) has carried out a programme for loans and expertise to small- and medium-sized enterprises. It is reorienting its activities towards the training of qualified personnel, either on the spot, working in conjunction with a Palestinian NGO (the National Fund for Investment and Development), or in France.

Secours Populaire Français has taken action in the health sector to the benefit of the Medical Relief Committee, while the Conseil Général de Nord-Pas de Calais and the Association Médicale franco-palestinienne support training activities for practitioners of the Bethlehem Arab Society.

C. At the local level, coordination, management and follow-up are ensured by the Consul-General in Jerusalem, while the network of French cultural establishments in the cities of Jerusalem, Bethlehem, Ramallah, Nablus and Gaza play an important role. These institutions have libraries and halls for entertainment and lectures. The policy followed has been to reinforce the libraries and expand cultural events in the occupied territories.

III. The future prospects for French assistance to the Palestinians are marked by an increased effort to train qualified personnel for the possible autonomous entity and the allocation of financial resources to stimulate economic activities.

A. A special programme of 100 fellowships has been launched which, in three years, is intended to provide training courses for qualified Palestinian personnel designed with a view to the prospective autonomy of the occupied territories.

The areas selected are as follows:

Law and justice;
Local administration;
Public administration;
Budgetary techniques;
Taxation, customs;
Technologies (electrical engineering, computer sciences, industrial maintenance, etc.).

Activities will be conducted:

Through in situ missions carried out in liaison with the Palestinian technical committees;

Specialized training in France for high-level personnel and the training of instructors for medium-level personnel and technicians.

The various French training establishments specializing in these different fields have been alerted by the Ministry of Foreign Affairs with a view to carrying out these programmes and have shown great interest in this project for assistance to the Palestinians.

A first group of 20 persons is to graduate from these courses next May, while a second group of 20 will graduate by the end of the year.

B. Programme for the financing of productive activities.

Recent decisions have been taken to this effect, with resumed coverage of short-term export credits designed to enable Palestinians importers to obtain the consumer goods and small items of equipment which they need on better terms.

A credit line of 20 million French francs (nearly $4 million) is to be opened very shortly and will contribute to the financing of the capital goods needed by Palestinian enterprises.

To sum up, French assistance to the Palestinians is focused on a series of sectors and uses means intended to further progress and enhance future prospects for our partners. An effort is made to adjust this assistance by shifting the effort from one project to another as soon as objectives seem to have been achieved (the training of doctors, for instance) or when another donor provides assistance that makes the French contribution less urgent (EEC projects, for example). With the prospects of autonomy, French assistance is embarking on a new course through the launching of an additional programme for the training of qualified administrative and technical staff and the allocation of financial resources capable of facilitating productive investment.

Experts

Mr. Ibrahim Dakkak (Palestinian)
Development consultant

Political impact of conflicting agendas of donors on the future of the occupied Palestinian territories

Initial assessment

Since the initiation of the peace process in Madrid in October 1991, the hopes that the Palestinian-Israeli conflict is on its way for resolution was greatly boosted. This development received further reinforcement upon the initiation of the multilateral talks on the future regional cooperation in the Middle East and the implicit message it carries, to the potential recipients (including the Palestinians) and the donors alike, that assistance, in the form of donations, capital and training to materialize the stated objectives of developing the Middle East into a viable economic entity will be much in demand. Consequently, the role of the Palestinians on the one hand and the role of the donors on the other, in the occupied Palestinian territories (OPT) became more under direct attention and therefore requires a fresh assessment.

My presentation will focus on the experience of the Palestinians with the conflicting agendas of the donors and that of Israel's under the latter's occupation. This is carried out under the following headings:

- The Palestinian problem defined;
- Donors and their motivations;
- Impact of the conflicting agendas of donors on Palestinian decision-making;
- What is most needed now?

The Palestinian problem defined

The present and future Palestinian problem in the OPT is defined hereunder in the following interrelated points:

1. Empowerment: I adopt the notion that empowerment in the context of development aid means "enabling" and "endowing" recipients with faculties or abilities. It also means that development aid is to establish a marriage between self-reliance and self-determination (Khalil Hakhleh, Politico - Development Aid and Empowerment; the case of Palestine - a paper presented to the Nordic NGO Conference, Oslo, 26-27 March 1993, p. 5). The United Nations "Declaration on the Right to Development" on the other hand considers the right to development an "inalienable right" and highlights the association between the right to development, the right to protection and "the full realization of the people's (right) to self-determination" (General Assembly resolution 41/128, 1986, preamble and article I).

If the active participation of the beneficiaries in influencing the direction and execution of development projects rather than the direction and execution of development projects rather than merely receiving a share of the benefits accruing from them, and that the purpose of such projects is to empower the beneficiaries in accordance with the United Nations declaration on development are credible measures to the adaptability of these projects to their inalienable rights, then the Palestinians' claim that the Israeli measures, including the "development projects" implemented in the OPT since 1967 have been clearly designed to disempower them is correct.

Likewise the role of the donor institutions in the OPT has proved to be disempowering as well. The ensuing discussion in other sections of this presentation will focus on their role. It is assumed here, however, that the Israeli role has proven beyond doubt that it was counter to established international criteria on development and therefore it will be referred to in the text only whenever such a reference is seen necessary.

2. Palestinian conflicting desires: the interest of the Palestinians in the activities of the donors has been characterized by two conflicting desires: the first desire has been to continue receiving assistance provided by the donors and the second is the keep away from it. In the first instance, the Palestinians have been in need of the assistance supplied to them by the donor institutions to check the deteriorating condition that have resulted from the Israeli unwarranted measures. In the second instance they felt that the non-convergent and conflicting motivations and agendas of the donors, and the ability of some of them, and in many other cases the hesitance of the others, to properly address the problem the continuing disempowerment of the Palestinians, have all contributed, not only in maximizing the process of disempowerment, but also in deepening their dependence on alien sources and especially on Israel. The overall result, as seen by the Palestinians, has been counter-productive and hostile to their endeavour to liberate themselves from Israeli occupation. Consequently, their resolve to regain the initiative to conduct their affairs without interference from non-Palestinians, including the establishment of their indigenous national agenda, was severely hampered. The net outcome for the Palestinians is that they became locked between two conflicting, albeit disempowering dynamics: the "need" to the donations on the one hand, and the "inability" to harmonize the collective impact of the agendas of the donors to serve their inalienable rights on the other. In short, the interaction between the Palestinians and the donors in general, as experience have shown, distorted the performance of the Palestinians in the OPT and disoriented it.

3. Generated ambivalence among Palestinian institutions in the OPT: following the conflict between the need of the Palestinians to the assistance and their desire to keep away from it as required by their political objectives, Palestinian institutions were forced to adapt, to an appreciable degree, to the non-convergent and in many cases conflicting motivations and agendas of the donors. Consequently their efforts were partially disjointed hence they lost the much favoured joint unified national direction to a great deal and as a result failed to effectively and properly address the development of the national Palestinian indigenous agenda. The situation was further complicated by the Israeli policy in the OPT and the changing political conditions inside and outside OPT. The result was unnecessary duplication of activities and services in the OPT, negligence of others, and weakening the fabric of the Palestinian society. The following notes expose some of the most conspicuous components of the problem:

3.1 The continuous shifting of the donors' agendas, especially from the objective of developing the Palestinians "civil society under occupation with organizations serving a population without a Government of its own, [and] building institutions for self-determination [to the objective] of combine[ing] assistance with conveying political messages" has been a source of worry among the Palestinians (Arne Oerum, "Palestine and Humanitarian Assistance", Nordic NGO Conference, Oslo, 26-27 March 1993). The change of focus among the European donors became clear after the Venice Declaration of 1979. A similar shift was also noticed among American donors especially after the signing of the Camp David agreements in 1978.

3.2 The difficulty encountered by the Palestinians in developing required proper consensus on socio-economic issues, a subject that I will refer to again in a different section.

3.3 Because of the prolonged Israeli occupation in the OPT and the performance of the donor institutions and the discrepancy in the Palestinian outlooks on the development priorities as stated briefly above, there has been successive shifts in Palestinian perspective on development from serving immediate needs of the Palestinians to a new target aiming at maximizing the distance between the Palestinians and Israeli economies.

The declaration of the State of Palestine in 1988 and the initiation of the peace process in 1991 has advanced the idea of the establishment of a separate independent Palestinian economy in the OPT and the initiation of the process under the constraint of the Israeli occupation.

3.4 The establishment of Palestinian councils, technical teams, etc. to cater to Palestinian affairs in different sectors of the Palestinian society in the OPT in preparation for the implementation of the Palestinian self-rule by openly declared mandate from the Palestine Liberation Organization (PLO) and with the implicit approval of Israel and encouragement of non-Palestinian donors, has ushered in an important element in the last four decades. While the achievement of such development is of a very high political importance, it confronted the Palestinians with a serious organizational problem of appreciable magnitude. The Palestinians at the moment are required to establish a coherent system to act as an envelope to the un-orchestrated Palestinian activities which has characterized the situation in the OPT especially in the last 10 years. The first task is to establish consistency, complimentarity and resonance among the activities of the PLO-mandated institutions. The same applies to the activities of Palestinian NGOs/grassroots with the PLO-mandated institutions without infringement on the freedom of the first to act as part of the Palestinian civil society. The second task is to generate enough credibility to the aspired system on the popular level as a necessary step to maximize Palestinian consensus.

4. In response to their political programme as referred to above, the Palestinians are faced with the important task of articulating developmental activities with Palestinian political rights as defined by the United Nations, i.e. to utilize incoming assistance to the OPT to hasten the exercise by the Palestinians of their inalienable rights.

5. The potential outcome of the peace process is facing the Palestinians now and will face them in the future with the legacies of two operating system in the OPT: the present administrative system run by Israel (the civil Administrations in the West Bank and in the Gaza Strip), and the United Nations Relief and Works Agency for Palestine Refugees in the Near East as an institution. The problems emanating therefrom, in the event of the initiation of the interim Palestinian self-rule will not be the same. Nevertheless the challenge for the Palestinians will be to make use of the cumulative experience that both have without infringement on the credibility of the aspired Palestinian administration that will take over after their role is totally or partially terminated upon the conclusion of an agreement between the Palestinians and the Israelis.

The donors and their motivations

Taking the above-stated problem into consideration, it is clear that the Palestinians are confronted with outstanding problems which require immediate action and with potential problems that will present themselves if the peace process is concluded successfully. Therefore an objective assessment to the nature of the mechanisms that are influencing the Palestinian performance in the OPT, other than the Israeli Administration, is needed. In the following section I will discuss the role of the donor institutions which has been influencing, and will continue to influence, the Palestinian decision-making process for some time to come.

The donors in the OPT fall into four major categories: international institutions (e.g. the United Nations and its agencies), regional intergovernmental institutions (EEC, the Arab Fund for Economic and Social Development, the Islamic Bank for Development, etc.), individual Governments and non-governmental organizations (NGOs).

International institutions, and the United Nations agencies, in particular, are considered, theoretically speaking, neutral bodies. However, their neutrality has been challenged on different grounds. The history of their performance in many places in the world, and the experience of the Palestinians in particular demonstrate that these institutions showed bias, in many instances, to the national interests of the stronger and more influential members. Therefore their neutrality is questionable and is not necessarily absolute.

Similarly, regional intergovernmental institutions show bias to the national Governments' interests and to their collective interests when dealing with the Palestinians.

Likewise, national Governments, by the nature of their duties, are institutions established to defend, promote and expand the interests of their peoples. Their national biases, therefore, are normal and cannot be denied.

NGOs, on the other hand, are different from the above-referred institutions. They are, by definition, independent and accordingly their agendas are expected to be developed independently in accordance with their adopted objectives. Nevertheless, the regional intergovernmental and governmental institutions have succeeded, through politico-financial pressures and otherwise, to establish strong footholds in the NGO community. Therefore it is feasible to assume that there are two distinct categories of NGOs: a category which opts to help the Palestinians on purely humanistic grounds; and a category which is assumed to show flexibility and accommodation to the orientations and directives of their respective benefactors, whether they are governmental or regional intergovernmental institutions; or at least influenced by them. However, the behaviour of the two categories of NGOs has proved to be disjointed and their performance disorienting to the Palestinians.

However, the role of the donor institutions operating in the OPT falls under two categories: solidarity in terms of advocacy, and material support for the Palestinians including training. Within the loci of these two categories we meet a variety of combinations and permutations of convergent and divergent positions by the same donor institution on the same issue at the same time, or on the same issue at different times. The emerging accidental correspondence of identical positions adopted by the Palestinians and one or more donor institutions, or lack of it, is governed in most cases by the rule of thumb. If the different cases demonstrating the nature of the disjointed and disoriented relations that has developed into a disharmonious disposition between the donors and the Palestinian recipients are brought together and judged against the backdrop of the changing political environment, a bizarre mosaic of contradictory ethical standards governing the activities of the donors will unravel. Looking to the "goulash"-like environment generated by the conflicting interests of the different donor institutions in the OPT, some questions arise, e.g.:

1) Were the donor institutions actually serving the interests of the Palestinians as they claim?

2) Had their activities facilitated or complicated the Palestinian decision-making process vis-à-vis the generated challenges by non-Palestinian political adversaries?

3) Have the donor institutions produced positive development in the OPT?

It is rather difficult to give satisfactory answers to these questions in a limited presentation. Nevertheless it is incumbent upon me, after I raised them, to deal with them in a concise way.

To start with, it is important to note that these institutions were not necessarily invited by the Palestinians to come to their help. Most of them "volunteered", for reasons of their own, to participate, as claimed, in the efforts of assisting the Palestinians to overcome the problems generated by the Israeli occupation. Others came as part of their routine duty in such cases.

However, the quality and effectiveness of solidarity with the Palestinians (in terms of advocacy and assistance) demonstrated by different donor institutions, as observed during their performance in the OPT, vary from one donor to the other. Nevertheless, there is a degree of convergence among them, intended or otherwise, with respect to the Palestinian political and socio-economic aspirations as formulated by the Palestinians themselves. Such a convergence tends to minimize and marginalize the collective role of the Palestinians, as beneficiaries, in directing and executing development projects earmarked for their assistance on the one hand, and simultaneously holding them accountable for the disempowerment resulting therefrom on the other. In other words, the donors in most cases expect the Palestinians to be always ready to provide them with "shopping lists" to be financed by the funds released for dispersal upon the discretion of the donors. The situation could be summarized in the following points:

1. The rising popularity of the mentality of the "shopping list" among the donors in the presence of active hostile mechanisms designed to disintegrate the Palestinian collective will and the fabric of Palestinian societal relationships;

2. The inclination of some donors to address the Palestinian needs under Israeli occupation, as defined by the donors, and initiate selective and individual activities without property coordination with the Palestinians;

3. Failure of donor institutions to synchronize their readiness to address Palestinian human rights and material needs, simultaneously with Palestinian inalienable rights.

It has become clear for the Palestinians, through their long experience, that the approach adopted by donor institutions, as defined above, leads voluntarily or otherwise, to the perpetuation of the status quo, with the political implications and dangerous consequences it entails. Therefore assistance by donor institutions to Palestinians, under such tenets, can be logically termed disempowerment.

Impact of the conflicting demands of donors on Palestinian decision-making

As stated above, it is normal and logical to assume that decision-making in Palestinian society has been basically endogenous. However, direct and indirect manipulation in many instances was carried out by external actors. As a result and by virtue of the dislocation of the Palestinians and their dispersion in different places, and also by the fact that the recognition of the PLO as their sole representative was denied by some Western States and Israel, let alone by the United States of America, Palestinian decision-making process has become most complicated and difficult. The major components of Palestinian decision, and hence their dynamics, have become subject to three perceptions:

1. The perception of the Palestinians inside the OPT;
2. The collective perceptions of the Palestinians outside the OPT;
3. The collective impact of the perceptions of the donors and other political actors.

Nevertheless the Palestinians are expected and required to develop special mechanisms to harmonize the two outlooks and to establish a unified national agenda within the constraints of the perceptions of the donors and the political actors.

The achievement of such an objective has proven to be difficult and far-fetched. This will continue to be so as long as the Palestinians are dispersed and not allowed to sit freely and formally together and draw proper agenda for the future without undue interference from non-Palestinians. However the difficulty is further multiplied by Israeli interference and the recurring harmony between the dynamics of funding by donor institutions and the conferred authority on it by Israeli intervention whenever the funded projects are not in conflict with the Israeli agenda.

Therefore, it cannot be considered awkwardness and lack of foresight on the side of Palestinians when their preparedness to meet the expectations of the donors are not to the latter's satisfaction. The performance of the Palestinians should be seen against the distorted situation and the environment forced upon them by alien powers. It is normal for them under these circumstances to be cautious, take defensive positions on many occasions, concentrate the greater part of their energy on solving emerging problems which tend to multiply very quickly by virtue of the Israeli measures, and by the insensitivity of some donors; and last but not least, to harmonize what is being performed by Israel and the donor institutions without prior collective coordination with them, with their endeavour to empower themselves to terminate Israeli occupation of their land.

What is most needed now under the potential political scenarios

In the following presentation, I will address in brief the problem of establishing businesslike future relationships between Palestinian institutions and donor agencies under the probable political scenarios.

1. Let me start by saying that it is rather hypothetical and very unfair to assume specific roles for donor agencies under the proposed self-governing authority in the absence of a definition of the rights it will enjoy and the latitude of power they will be able to exercise.

Therefore it is rather hypothetical to pre-assign a role for donors in any future development activities in the OPT before a definition of the latitude of empowerment the Palestinians will enjoy, and the mechanisms that will be provided for them to implement their aspired goals; and last but not least, the effective protection it will be awarded against hostile intervention.

Also, the lack of clarity so far, as to the nature of the status the OPT will develop into, following self-governing period constraints, proper long-term planning, especially in the fields of infrastructure and production.

If disempowerment of the Palestinians by different actors continues, the Palestinians will not be able to formulate their development agenda. The only choice left for them, in such a case, will be to resist hostile agendas and to try to harmonize and adapt to the imposed external agendas to serve their rights.

2. However, what is most needed at the present moment is to mobilize efforts to provide protection to the Palestinians in accordance with Security Council resolution 672 (1990) and to exercise their right to development in accordance with General Assembly resolution 41/128 (1986). It is worthwhile remembering that the relationship between protection and development has been emphasized in the preamble of the latter resolution. Furthermore the right to development and the full realization of the right to self-determination were equated and highlighted by considering the right to development, in article 1 of the declaration, an "inalienable right".

3. It has to be reminded also that the OPT witnesses competition among the donors, the purpose of which is not justified from a Palestinian point of view. Such a competition, especially among international, regional intergovernmental and governmental institutions has already caused great damage, as I mentioned above. Actually, it adds insult to injury. However, greater coordination among donors within the tenets of the Declaration on the Right to Development is of utmost importance. This will assist Palestinian NGOs and higher councils to become more national and development oriented and less factional, self-centered and bureaucratic. Moreover, it will help them to converge on a unified programme of work towards the establishment of the aspired Palestinian system. Furthermore, assisting grass-roots movements and discouraging the growing trends towards bureaucratization is becoming of utmost importance.

4. In the interim period until the Palestinian authority materializes, the establishment of a "protected Palestinian development space" in the OPT by the United Nations may prove to be necessary. The structure of the space is to be detailed in consultation with the PLO. The purpose is to allow the Palestinians to stop the ongoing deterioration in their socio-economic conditions and to help them regain developmental initiative.

5. The last remark that I would like to mention is that development in the proper sense cannot be effected unless the Palestinians exercise the right to self-determination. What has taken place so far under the name of development is growth, some of which could well be considered malignant.

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(Journal of Palestine Studies, vol. XXII, no. IV, Summer 1993. Reprinted with permission.)

Report from Gaza: New dynamics of civic disintegration

In response to some of the highest levels of violence since the uprising began, which left 28 Palestinians and 15 Israelis dead in March 1993 alone, Prime Minister Rabin sealed off the West Bank and Gaza Strip in late March, barring 120,000 Palestinians from their jobs inside the green line, and announced that Israel would have to become far less dependent on Arab labour in the future. While these actions are not without precedent, they often follow Arab attacks against Jews within Israel proper, attacks which momentarily sear the political status quo, and which are almost always committed by Palestinians from the Gaza Strip, themselves the object of uninterrupted abuse.

Gaza and her people have long been identified with the violent side of Arab anti-Zionism and the last few months have proven no exception. Yet, the violence associated with the Gaza Strip, particularly since the start of the uprising, has always been tolerable to Israelis as long as it was contained within, and confined to, the territory itself. Somehow, Gaza would be dealt with: Arab workers would continue to fill their jobs in Israel, and everything would return to 'normal'. It all happened just as expected, the infrequent attack inside Israel notwithstanding.

The conditions of life in the Gaza Strip which allowed and sustained this 'business as usual' mindset among Israelis are rapidly changing. Gaza is a very different place today than it was just one year ago, let alone eight years ago when the author first began working there. Old rules and traditional expectations no longer apply. New dynamics now characterize life inside the territory, dynamics which threaten not only to destroy the uprising in its most productive forms, but certain aspects of society itself. The most obvious change is the greater lawlessness and scale of violence committed by Arabs against Jews and by Jews against Arabs on both sides of the green line, a recent rend which is only expected to grow worse if prospects for a political solution continue to dim. (Consistent attacks on army units by Hamas activists are as new as the use of anti-tank missiles against the civilian population by the Israeli military.) Far less apparent but far more ominous, however, is the increasing disablement and approaching breakdown of civil society in Gaza, a product of widening societal divisions and internal fragmentation, and a process never before seen inside the territory.

A changing context

Before elaborating on the adverse changes taking place in the Gaza Strip, it is necessary to understand something about the context which produced them. In Gaza, this context is undeniably and primarily economic. In the five years since the intifadah began, the gross national product (GNP) of the Gaza Strip is estimated to have fallen by 30-50 per cent. Although the uprising imposed considerable economic burdens, it was the Gulf war which dealt the local economy its greatest, and some would say, final blow. The loss of remittances and direct aid, in addition to the loss of work inside Israel since early 1991, proved devastating for the Palestinian economy as a whole, but particularly so for the more impoverished economy of the Gaza Strip, where such external sources of revenue constituted at least 50 per cent of GNP. In April 1991, the loss of remittances and other direct aid to the West Bank and Gaza from the Gulf countries, in addition to the loss of exports, already amounted to $350 million. Losses to the Palestine Liberation Organization (PLO) in the form of direct aid from Gulf sources, furthermore, have been put at $480 million, monies which were in part funnelled in the occupied territories. At one time, in fact, Saudi Arabia's contributions to the PLO were equivalent to 10 per cent of the gross domestic product (GDP) of the occupied territories as a whole.1/

The steady closure of the Israeli market to Arab labour has proved extremely damaging for the Gaza economy given the inordinate dependence of its labour force on employment inside Israel. Prior to the crisis in the Gulf between 45,000 and 50,000 Gazans, supporting close to 250,000 people, were working in Israel, a decline from over 70,000 before the uprising. In the last two years, only 25,000-30,000 workers from Gaza entered Israel daily, which represented a loss of at least 20,000 jobs which were not created domestically. (Of course, the situation deteriorated even further with the March closure.) Unemployment soared to at least 40 per cent in the Gaza Strip, personal income fell dramatically, and savings were completely exhausted. In the fall of 1992, the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) in Gaza advertised 12 positions and received over 11,000 applications.2/ Moreover, unemployment levels in the Gaza Strip and West Bank are expected to increase in 1993 since the construction sector in Israel, the largest sectoral employer of Palestinian labour, is expected to contract significantly. After the deportations in December 1992, moreover, a two-week curfew was imposed on the Gaza Strip, which cost the economy an estimated $1,810,000 per day.3/

One indicator of the economic changes taking place inside Gaza is the number of families who have required food assistance in the last two years without which they would go hungry. By June 1991, UNRWA, whose sole responsibility is to the refugee community, was feeding 120,000 families in the Gaza Strip and 165,000 families in the West Bank, both refugee and non-refugee. The number of families receiving food aid since the Gulf war is all the more startling when compared with those families who were the only ones eligible for food aid prior to the uprising and just prior to the Gulf war itself: 7,471 in 1986, 9,137 in 1988, and 9,838 in June 1990.4/ Thus, between June 1990 and June 1991, the number of families in the Gaza Strip receiving food assistance from UNRWA increased from 9,838 to 120,000, or elevenfold.

Since the Gulf crisis, the situation in Gaza has become critical. Hunger is a growing problem, especially among children, and malnourishment is sometimes visible as one walks along Gaza's streets. Faces appear hollow and lifeless. Teachers in UNRWA schools report that the majority of their students eat only one meal per

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1/ Field Development and Planning Officer, Department of Development and Planning, UNRWA, Gaza Strip, January 1993.

2/ Interview with Mr. Klaus Worm, Director, UNRWA, Gaza Strip, January 1993.

3/ Muna Muhaisen, "Gaza Strip braces for economic disaster following prolonged siege and curfews", Al-Fajr, 28 December 1992, 2.

4/ In-house statistics, UNRWA, Gaza Strip, September 1990.

day and that meal is often no more than a bread sandwich with some crushed pepper or thyme added for flavor.[5] Cheese, once a staple of the local diet, is now too expensive for most people, and meat has vanished from the tables of all but the very rich. Doctors treat more cases of malnourishment and diseases related to malnourishment among young children than at any point since the occupation began. To make matters worse, the closure of the occupied territories in March caused food prices to plummet and increased the prices of certain non-food items by as much as 100 per cent. Moreover, the closure cost the economy of both territories approximately $2.5 million per day. (As a result of these changes and an economic structure that was underdeveloped and weak to begin with, the formal sector of the economy has all but collapsed and the informal and unregulated sector has grown quite rapidly.)

The immense economic pressures imposed upon the Gaza Strip become even more acute in light of Gaza's extremely high growth rate of 4 per cent per annum. Last year, the refugee community alone, which comprises 73 per cent of the total population, grew at a rate of 7.3 per cent, giving the territory one of the highest population densities in the world. In 1992, according to conservative estimates, density levels exceeded 9,300 people per square mile when measured in terms of lands available for use by the Arab population. Density levels among the Jewish settler community in the Gaza Strip, by contrast, averaged 115 people per square mile of available land.

The combination of severe economic erosion, gross insecurity, rapidly deteriorating living conditions, and continued political inaction has produced a state of extreme psychological exhaustion among the people that is visible in several ways. One telling manifestation is women's dress. The enforcement of strict dress codes for women has characterized political life in the Gaza Strip since the earliest days of the uprising. This has now begun to change. A visit by the author to Gaza in January 1993 revealed that although a majority of women continue to dress conservatively, a healthy and growing minority are no longer wearing the hijab or head cover, an action that was unthinkable just a short time ago. In fact, the author once had stones thrown at her for not covering her head in public. Young adult women were also seen in jeans, unheard of in Gaza, and one was seen wearing black lace leggings under a short skirt!

The more positive interpretation of these changes is, of course that restrictions on women's behaviour are easing. However, this does not appear to be the case especially when other social and political indicators are used. The changing dress code is a reflection of the psychological fatigue, and the lack of caring and attention now paid to such political symbols as the hijab. One reason for this change is that Hamas activists, who were the ones vigorously enforcing women's dress codes in the past, have turned their attention away from internal social reform to military attacks against the Israeli army. This change in strategy arose in part out of their struggle for leadership of the Islamic movement in Gaza, and for leadership of the nationalist movement as well. Hamas recognized the political cost incurred by insulting women in public for wearing nail polish, an incident once witnessed by the author, when the husbands or brothers of these women were losing their livelihood and ability to feed their families.

However, another far more important reason for the declining importance of the politically symbolic is that, quite simply, people no longer see the point. As one individual put it, "The price of our struggle is now too high especially since we have very little to show for it except greater suffering." Gaza is without leaders. People grieve the loss of their local leadership and feel misled by those who remain, especially in Tunis. There is, in Gaza, a profound sense of finality, of having nowhere left to go and nowhere else to look.

People almost uniformly spoke of the intifadah in the past tense, particularly when referring to its ability to affect meaningful change at the political level and structural change at the economic level. The massive deportation of 415 Palestinians, which people in Gaza view as the beginning of the future, large-scale population transfers, reinforced popular perceptions of the intifadah's political demise and the world's final abandonment. The political slogans which once catalyzed the population into unquestioned collective action are now beyond the capacity or the willingness of the people to enforce. Within this context, local attitudes toward the Middle East

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5/ Interviews with teachers and principals of UNRWA schools, Gaza Strip, January 1993.

peace talks were not only dismissive but outwardly hostile. The profound sense of hopelessness among people is only equalled if not exceeded by a sense of utter humiliation, despair and betrayal. In words that capture the quiet desperation of many in Gaza, one mother said, "I have nothing left to feed my children but black milk. What good am I?"

The perceived goals of the intifadah, ending the occupation through non-violent means, two-States, decreasing economic dependency on Israel, and reordering society, are now considered unattainable in the short-term and, many believe, in the long-term as well. The psychological effect is best characterized as a kind of collective self-withdrawal. Unable to achieve what is now regarded only in the abstract, political factions in Gaza have begun to fight over control of those few remaining resources which are perceived to exist, resources which are primarily institutional. Virulent factional rivalries are replacing directed collective effort at many levels; internal fragmentation and the unmaking of civil society are the tragic result.

Internal Fragmentation and the Waning of Civil Society

The Fight Over Institutions

The internal fractures which are taking root in the Gaza Strip are characterized by changes at a variety of levels, but none more pronounced than that of the institution. Institutions are regarded as perhaps the only remaining resource in Gaza with any semblance of power or influence within the community, and as such they have become the new political battleground. Institutions across a variety of sectors have been affected: health and educational organizations, professional associations, trade unions, and a variety of other organized social groups. Two main trends have emerged: scrambling for control over existing institutions, and competition over the creation of new ones.

Acquiring control over established institutions is increasingly achieved through intimidation and coercion. There are already many examples of how a given faction will approach the head of an institution and demand that he or she hire certain of its members. Refusal to do so has sometimes resulted in personal threats to the organizational head and his or her family, as well as property damage to the targeted institution. In other cases, local elections of officers and board members have been fixed either through intimidation or bribery. The director of one prominent and highly respected health institution in Gaza, who asked not to be identified, was approached by a political faction which demanded that he hire several of its members. Threats were used against this man and his family, and he acceded. As a result, he is now forced to pay salaries for a number of untrained, unproductive individuals, which in turn decreases the funds available for the delivery of the services he is there to provide.

In another example of an educational training institute, the director, a personal friend of the author, was similarly approached but refused to be coerced. He told of constant threats against himself and his family, and consistent violations of his institution in the form of physical trespasses by factional members. He was not certain how much longer he could withstand the pressure stating, "It is one thing to fight the occupier, it is quite another to fight your own people." He, like at least seven other nationalist figures interviewed, wished to flee the Gaza Strip if only he could find a way.

A senior official at UNRWA in Gaza further reported that he was hoping to devolve control over the UNRWA hospital in the Bureij refugee camp to local authorities, but decided not to do so "because there is no longer any group left which represents the interests of the community as a whole."6/ He similarly stated that despite the availability of funds for the development of several UNRWA youth centers, once an important source of social activity in the Gaza Strip, these centers have ceased to be supported because of the factional infighting which surrounds them all. Another very visible demonstration of how factionalism has retarded community development concerns the Gaza municipality, which has all but ceased to function as a result of internecine

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6/ Interview, UNRWA, Gaza Strip, January 1993.

rivalries and budget cuts. For the first time ever, sewage can be seen running down the streets of Rimal, Gaza City's wealthiest neighborhood, and garbage is now a prominent feature of the urban landscape. The sense of physical decay is pervasive. The March closure, furthermore, only intensified the factional struggle over institutions since the desperation to find employment was that much greater.

Competition over the establishment of new institutions has become particularly intense in the Gaza Strip. There has been a virtual mushrooming of institutions with no apparent purpose than a political one. For each institution established, permission must be obtained from Tunis, which has only fanned the factional fires. Increasingly institutions are set up as political entities and only afterward are their practical purposes considered. Once formed, each institution tries to funnel as much money as possible through itself, thereby decreasing the possibilities for cooperation which emerged in the first two years of the uprising. Funds are solicited not only from the PLO and its factional leaders, but from an unprecedented number of foreign donors now working in the occupied territories. Indeed, the increasing availability of foreign monies, made possible by the initiation of the Middle East peace talks, has intensified factional rivalries and the scramble to establish a local power base through greater institutional control.

The dynamics described bespeak objectives and outcomes that are very damaging for the community and the future development of civil society in particular. Emerging objectives are shifting from building Palestinian society to fighting over what is left within it. As institutions become more and more aligned with individual factions, their decisions become motivated by considerations that are political not professional. Controlling resources has become more important than how those resources are used. Moreover, privileges are created that will not be easily relinquished, especially in an environment of escalating poverty. The result is a severe lack of coordination among institutions and no prioritization of needs according to any commonly defined criteria. In the absence of an effective leadership and authority structure, one group is pitted against another, disorder increasingly prevails, and political interests are being pursued at the cost of some of the intifadah's greatest achievements: community cohesion, societal introspection and personal self-criticism, a leadership versed in the ways of gradualism and negotiation, inter-group coordination, expanding roles for women, new approaches to economic development, improved production capabilities and service delivery, organized planning at the grassroots level, and the perceived need for standards, rigor, and accountability. The creation of structures, once a prominent feature of the uprising, is steadily giving way to the creation of constituencies in institutional guise.

The Role of Foreign Assistance

Increasingly, it is becoming more difficult for institutions and individuals involved in political and economic life to remain nonaligned. In a less direct way, this applies to a growing number of foreign donors as well. With the start of the Middle East peace talks, development assistance for the West Bank and Gaza grew significantly, particularly from the European Economic Community (EEC). At present there are 120 foreign private voluntary organizations (PVOs) working in the occupied territories with more money at their disposal than ever before.

Ironically perhaps, foreign assistance, which is nominally intended to strengthen Palestinian society, is, in its own way, contributing to the divisions which are slowly undermining that society. Prior to 1991, at least, foreign assistance agencies assiduously avoided working with politically active groups, or any organization known to be aligned with a given political faction. Now, in an approach that constitutes a major change in orientation, more and more foreign agencies are concentrating only on those groups which are politically active. When asked why this is so, funders argued that if monies are to be expended and projected implemented in the present environment of the occupied territories, there is no alternative but to work with political groupings because they are perceived to be the only indigenous entities with the kind of power needed to get project work done. One aid official went even further to admit that in order to implement his program, he has had to sometimes choose between political work and practical work, and in the process has had to give funds to all factions in order not to alienate any one of them. This, of course, does little to eliminate the problems associated with political factionalism and much to aggravate them.

In this regard, the attitude of Israeli officialdom has also changed quite dramatically. Whereas in the recent past, the military authorities would never have approved any cooperation between politically active Palestinian institutions and foreign donors, now this collaboration is easily supported. There appears to be two reasons for this. First, the many internal fissures created and reinforced by greater in-group fighting seriously weakens popular cohesion, and makes it easier for the occupier to rule a rebellious population. Second and perhaps most important, given the very desperate economic situation inside the Gaza Strip especially, the more foreign assistance made available, the better.

The configuration of actors and objectives which emerges is quite troubling particularly with regard to the promotion of economic development in an area as complex as the Gaza Strip and West Bank. For a growing number of Palestinian organizations, for example, the aim is to acquire as much control as possible over foreign monies in the competition for local power, and to exclude other indigenous groups in the process. For foreign donors and their implementing agencies, the objective is to access the growing pie of funds now available and expend them as expeditiously as possible in order to obtain more, often without regard to the long-term development needs of the area. For the Israeli authorities, the goal is to promote the creation of jobs in the short-term in order to alleviate severe economic problems and temporarily appease a hostile population. They, too, remain completely oblivious and obstructive of long-term developmental requirements.

The approach toward development work is dangerously myopic and reveals a situation where a more scientific approach to development may no longer be possible. The much heralded construction of a $20 million UNRWA hospital in Khan Younis, for example, is expected to generate many urgently needed jobs in Gaza. The project is being funded by the EEC and received relatively quick approval from the authorities. Yet, aside from the problems that may potentially arise from factional competition over who will be employed by the project, some UNRWA officials admitted that they do not know who will staff the hospital once it is completed given the acute shortage of doctors and nurses in the Gaza Strip. This is only one of many expected problems, another being funding for recurrent costs.

The Growing West Bank-Gaza Chasm

Another aspect of the tearing apart of Palestinian society is the reemerging animosity and psychological divide between the populations of the West Bank and Gaza Strip. Historically, West Bankers have always looked upon Gazans as their poor and backward cousins. This condescension was deeply felt in Gaza, and the source of considerable friction between groups and individuals from both areas throughout the occupation. During the early years of the intifadah, these differences were quickly submerged, but in light of changing economic and political conditions, which have left Gaza far weaker, more impoverished, and more oppressed, old differences have reemerged with a vengeance. West Bankers do not conceal the fact that they regard the Gaza Strip as their protectorate, and this offends Gazans greatly. Indeed, despite their factional affiliation, Gazans uniformly see themselves as oppressed by their West Bank counterparts. These feelings are in part based on very real problems, which are tied to the discriminatory allocation of resources and to who will control them.

Foreign assistance enters the Gaza Strip through Jerusalem, where economic and financial decisions affecting the Strip are usually made. Given their weaker experience with institutional development, Gazans have had and continue to have comparatively limited input into decisions which affect their community and its very unique problems, problems West Bankers have made little effort to understand. Gazans not only resent the unwillingness of Jerusalem to cede full control over allocated resources, but are consistently frustrated by the inequitable distribution of those resources given Gaza's more extreme need. Among development practitioners in the Strip one hears constant and derogatory references to the "Jerusalem Triangle", an area consisting of Jerusalem, Ramallah, and Beit Hanina, where power is seen to be concentrated and preserved.

One very sad and troubling example of existing tensions is the closure of the Gaza branch of an Arab research institution this past winter. This research institution is headquartered in East Jerusalem, and opened a branch in Gaza City in 1990. Several months ago, the Gaza office applied to the military government for a permit which would have allowed it to be legally registered as a branch of the parent institution, thereby enabling it to receive funds directly. Upon learning of this application, the Jerusalem office telephoned the military governor of the Gaza Strip asking him to refuse the permit. The governor, who subsequently told officials of the Gaza branch that he never before received such a request from a Palestinian organization, denied the permit, and the Gaza office has been closed ever since.7/

The Traumatization of the Young

Perhaps the most telling and frightening indicator of Gaza's growing fragmentation and imminent breakdown is the traumatization of her youth. Close to 70 percent of the Gaza Strip population if 25 years of age and younger, and have known nothing but occupation. Just under 50 percent are 14 years or less, and have spent their formative years during the uprising. The children of Gaza are psychologically hurt. Some are damaged beyond repair; others, while scarred, are more resilient. All are affected. The death of a child, a brother or sister, is no longer an extraordinary event; injured and maimed children are increasingly common as well. Gaza is a society devoid of childhood. Children have left the home and the classroom, two critical sources of socialization, and the impact has been devastating. A local attorney, who is also an advisor to the Palestinian delegation to the peace talks, conducted a series of interviews with children between the ages of nine and fifteen. Their answers to his questions reveal not only the loss of youth among the young, but the very high price Palestinian society will be forced to pay because of it.

One question asked of ten 9-year old boys and girls was, "Do you know what a cinema is?" Only one child, a boy, knew the answer, and described a cinema as "a big room with a big television in it." Thirty 15-year old boys were asked, "What does authority mean?" All answered that "authority means the enemy." When told, "But authority can mean your teacher as well," several of them replied, "You mean our teacher is a collaborator?" "Do you have authority at home?," was another question. "Yes," they replied, "the authorities have entered our home many times."

Children in the Gaza Strip are increasingly incapable of conceptualizing authority in traditional terms since parents and teachers, unable to protect the young from constant abuse and threat, have ceased to exist as authority figures. Authority is now the enemy and it is organically evil. Law and order do not exist in Gaza, in concept or in practice, and therefore children have no boundaries and no markers for distinguishing good behavior from bad. Children are fearful in Gaza, but they are also feared.

How will such children, an entire generation, be resocialized, particularly when their identity has been based on what they've been denied? How will such children be made ready to redress the problems of a waning civil society, for example, when they themselves have contributed to its demise? How can they rebuild their society when they have no real understanding of what it is that needs repair? This is the most critical problem facing Palestinian society into the future, and insofar as Gaza is concerned, the future is already knocking at the front door.

The Shifting Position of *Hamas*

If there is a group which has benefited, at least in the short-term, from the widening schisms and factional hegemonies within Gazan society, it is the Islamic Resistance Movement of *Hamas*. The success of Hamas in this regard has far less if anything to do with its ideological or political appeal, which is arguably quite limited in

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7/ Interviews with officials of this research institution and other indigenous and foreign PVOs who asked not to be identified, Gaza Strip, January 1993.

Gaza,8/ and far more to do with its singular ability to act and be seen as a counter-hegemonic force able to provide critically needed services and organize community activities in a way no other group has.

Hamas runs the best social service network in the Gaza Strip. It has been instrumental in the formation of "account committees" to which every Muslim is supposed to donate 7 percent of his or her income. These monies are in turn disbursed to the poor and needy. Unlike other political factions in the Strip, Hamas clearly understands that under present conditions influence on the ground is first gained through social work, then through religious work, and only in the end through political work. Structured and well-organized, Hamas is trusted by the poor, Gaza's overwhelming majority, to deliver on its promises, and is perceived to be far less corrupt and subject to patronage than its secular, nationalist counterparts, especially Fateh. Indeed, it is not only Palestinians who regard Hamas in this way, but a growing number of foreign assistance providers as well. Some senior officials at UNRWA in Gaza acknowledged that Hamas is the only faction they trust to distribute UNRWA food donations to the people.

There are two groups which appear to be the focus of organized Hamas activities, at least at the social and economic level: youth and the merchant class. At a time when other political factions gave up working with Gaza's many youth clubs, Hamas remained active and is attempting to build a power base from within these clubs and within other youth-centered organizations, a strategy which is very farsighted. Similarly, Hamas is increasingly working with local merchants. Many commercial connections are made in the mosques, which Hamas totally controls, and at the time of this research, the organization was considering the initiation of a loan program for small business. Indeed, the financial strength of Hamas has grown in both relative and absolute terms over the last 3-4 years. While funding to other factions has decreased, given the precipitous drop in direct aid to the PLO, funding of Hamas has not. Since the Gulf war, Kuwait and Saudi Arabia, according to local sources, contributed $30 million, and Iran, a new donor, has given $13 million.9/ However, it is not clear whether these funds come from the governments themselves or from private sources. The secret to Hamas' growing appeal, however, lies primarily in the fact that it, unlike other political factions, understands the importance of effective institutions. And, it is this understanding which is allowing the movement to slowly but steadily build a core constituency among various sectors of Gazan society.

A Conclusion

A friend of the author, reflecting on the upsurge in Arab violence against Jews, lamented, "What is happening to us that we can do such viscerally violent things?" The answer to her question requires a kind of reflection and rethinking that people in the Gaza Strip are rapidly becoming incapable of. Time is running out in Gaza. For some it has already run out.

Perhaps the costliest mistake that Israel, the United States, or any other actor involved in the Middle East peace process could make is to assume that desperation of the kind found in Gaza, will, at some future and not-too-distant point in time, bring appeasement, that Palestinians will reach a breaking point and finally relent. They will not. In the absence of a viable solution that offers something real, there will be a greater violence and greater insecurity for all. Of that there should be no doubt.

The gravity of the current situation demands more than an immediate response, it demands a meaningful one as well. Whatever its form, the answer must incorporate a major change in the status quo. In the interim, political and security arrangements must be found that would allow the Israeli army to withdraw, an absolute

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8/ According to Raji Sourani, the director of the Gaza Center on Rights and Law, only 18 percent of the politically active people in the Gaza Strip are Hamas activists. Of the 17,000 detainees in jail, 3,000 are Hamas party members. Interview, January 1933.

9/ Field Development and Planning Officer, Department of Development and Planning, UNRWA, Gaza Strip, January 1993, in addition to interviews with individuals who asked not be identified but who have ties to the Organization.

precondition, and the Palestinians to establish a governing authority with real power. Anything short of this will be perfunctory and will only fuel the dynamics of disintegration currently underway in the Gaza Strip.

If the Middle East peace talks are to have any hope of success, they must be considered credible by all of the actors involved. Despite a great deal of early optimism, Palestinians in the Gaza Strip not only consider the talks unproductive, they regard them as counterproductive since they create the illusion of hope when, in fact, none exists. Gazans, for the most part, rejected a return to the talks in April 1993 because participation would, in their eyes, only serve to legitimize an illegitimate process. If the peace talks are to regain their credibility and achieve a modicum of success, there will be need to be a fundamental rethinking of their terms of reference, terms which have not only placed Palestinians in a weak position comparatively, but which have confined them to this weakened position absolutely. A critical component is, of course, the role of the United States, which, to say the least, is not seen as genuine or fair. If change can be effected, it is only with the full participation of the United States, which is as yet unrealized.

The escalating violence between Arab and Jew has led to calls inside Israel for ending Israeli rule over the Gaza Strip, for somehow disposing of the Strip once and for all, independent of any comprehensive solution for the occupied territories as a whole. Under present conditions, nothing would be more damaging or destructive for Palestinians in Gaza (and, by extension, for their counterparts in the West Bank, and for Jews in Israel). Dumping the Gaza Strip as a quick, final step solution is certainly not the answer (and one that is highly unlikely to occur); relinquishing control over the Gaza Strip as the first stage in a comprehensive, multi-stage process of withdrawal and state formation, might be. Indeed, addressed in this way, policies first implemented in the much smaller Gaza Strip could establish important precedents such as the withdrawal of the army, the provision of appropriate security arrangements, the dismantling of Israeli settlements or their reconversion to Palestinian use, and the institutionalization of an indigenous governing structure. Such possibilities, however, become more unlikely and more theoretical each day.

The situation in Gaza is grim. The light at the end of the tunnel, which many once claimed to seek, is no longer visible. The greatest danger facing the Gaza Strip is not explosion, but implosion. If that happens, nothing will be visible but smoke.

Mrs. Suzette Verhoeven (Belgium)
Senator

(A copy of Mrs. Verhoeven's statement was not available at the time of publication of this report.)

Mrs. Suzette Verhoeven outlined her country's historical support for the Palestinian people. It was only in 1950 that Belgium had recognized the State of Israel, with a reservation concerning that country's territorial limits. Belgium had always supported an overall global approach but insisted on the importance of Europe's role. It supported Palestinian self-determination, as well as Israel's right to exist, but called upon Israel to withdraw from the occupied territories.

She said her country would encourage any effort aimed at bringing about peace in the region, including recognition of the positive role to be played by the Palestine Liberation Organization. Belgium provided special assistance to the United Nations Relief and Works Agency for Palestine Refugees in the Near East during the Persian Gulf war, to help address the increased difficulties facing the Palestinian population in the occupied territories. It had also supported the efforts of Médicins sans frontières in the territories. Palestinian skepticism about the peace process might explain the current increase in violence and hatred in the territories. It was now to take the measures that were essential for restoring peace.

The role and experience of Palestinian and international non-governmental organizations

Experts

Mr. Khaled Haidar Abdel Shafi (Palestinian)
Economist, Gaza

Needs and priorities in the field of human resource development and institutional building in the Gaza Strip

The Gaza Strip is one of the most densely populated areas in the world. According to the latest Israeli statistical information, the population of the Strip reached 831,1541 people over a total area of 635 km. The population density is 2,086 people per square kilometer. The area of the Strip is 8 per cent of the area of the West Bank. The natural growth of population is 5 per cent, which makes a number of 35,000 per year or 14 per minute.

According to the estimates of the civil administration of the Strip, the people over the age of 51 build only 7.1 per cent of the whole population, and those under 18 years, 59.3 per cent.

There are about 470,000 refugees in the Gaza Strip, which is 55 per cent of the population, with 27 per cent of them living in refugee camps, 18 per cent in villages and 55 per cent in cities.

In addition to the above-mentioned facts, there are several constraints to the development of the Gaza Strip. The main are:

- Occupational constraints (curfews, barriers to movement of goods, persons and capital, licensing and taxation policy, restrictive export requirements, restrictive policy with respect to basic physical infrastructure).

- The economic and physical infrastructures on which development normally depends are either inadequate or nonexistent.

- The local labour force, which is the only existing important resource for development in the Gaza Strip is highly unbalanced with respect to education and training.

- The negative impact of the Gulf war on the development opportunities in the Strip regarding the big decrease in financial remittances from Palestinians who used to work in the Gulf States and the suspension of financial aid from the Gulf Governments to Palestinian institutions.

- The current closure of the Strip since a month that prevented about 40,000 from earning their income in Israel, which is considered the main income source for the Strip ($1 million per day).

Taking all the above-mentioned facts and issues into consideration, and given that there is no existing national central body to insure coordinated planning across sectors, what are the opportunities under the existing situation that could lead to cross-sectoral linkages and decision-making for sustainable development? And what could be the contribution and role of donor agencies in such a process?

This paper is going to focus on the needs and priorities regarding two crucial developmental issues: human resource development and institutional building (institutional infrastructure) in the Gaza Strip.

It is important to mention that both of these issues are related to all sectors, and they are crucial under both the status quo (occupation) and potentially-changed political and administrative circumstances.

Human resource development

The issue of human resource development has moved to the center of the global development debate. It is being incorporated in the development strategies of countries all over the world. The human development is limited to any specific sector.

Especially in the Gaza Strip, where human resources are nearly the only and most important natural resource existing in the Strip, that makes the issue of their development the key issue for any developmental process and under any circumstances in this area.

There is a wide range of issues related to human resource development. In this paper the concentration will be on two main aspects: education and training.

The primary, preparatory and secondary schools have inadequate physical plants, laboratories and library facilities, educational materials, and cultural awareness programmes. The curricula are not clearly related to educational or economic development needs. The teachers are not aware of new developments in this field and have no access to new educational technologies and are not trained in the use of new textbooks.

Large-scale educational infrastructure projects should be initiated to physically rehabilitate existing public schools and construct new schools as necessary. Teachers should receive short-term training in educational theory and practice, as well as in the subject areas for which they are responsible. Schools urgently require new educational technologies and training in the use of them.

Support should be provided for institutional development, focusing more on enhancement of management and administration of post secondary institutions and vocational training centres. These institutions need to strengthen their capacity to design and implement short-term training courses to meet the education and training needs of the productive sectors, including assistance in marketing and in establishing fee structures for such training. They have also to strengthen their capacity for research and development linked to practical applications in the productive sectors.

Local and overseas short-term training should be continued, focusing on clearly-defined training objectives which are linked to institutional needs and economic and social development needs.

Institutional building

The institutional building or the institutional infrastructure in the Gaza Strip is underdeveloped even compared to the institutional building in the West Bank. The reasons for that are:

- bureaucratic constraints of the occupation authorities to licensing such institutions and the restriction on their activities;

- the development as an important issue is completely new in the Strip, and there have been no efforts to support it with adequate institutions;

- the Gaza Strip was a for a long time neglected by donors and their support in such a field.

However, strengthening and supporting the existing and new institutions in the public and private sector in the Strip is a high priority. This includes supporting them in planning, management and evaluation of policies, programmes and projects at all levels. This could be achieved through:

- providing technical assistance, training for managerial and technical staff for institutions and organizations responsible for or involved in economic and social infrastructure such as water and sanitation, quality control, marketing system and social welfare;

- improving access to and use of information resources both in the Gaza Strip and externally;

- improving the collection, analysis and distribution of data and information for use in the public and private sectors.

A major prerequisite for the success of this process will be specialization among the institutions in the different sectors and the level of communication between them through publications, distribution and use of directories and databases. Moreover, coordination of programmes and activities could avoid the current duplication of efforts and increase the efficiency of institutions.

Mr. Fritz Froehlich (Austria)
Representative of the Society for Austro-Arab Relations and
the Network of European NGOs in the Occupied Territories

Between the intifadah and the independent State: Directions for NGO activities in the occupied Palestinian territory (OPTs)

The scope and limitations of Euro-NGO involvement in the OPT

European NGO involvement in the occupied Palestinian territories (OPTs) is considerable, but it is spotty and inconsistent. Over one third of European NGOs are church-related or affiliated, more than a dozen are exclusively working in the field of health. The presence of lay European NGOs in other fields is therefore, to say the least, not massive.

Their programmes are likewise limited in scope and area of intervention as a result of a variety of factors: they are inhibited by their funders which, as church, state of political organizations, have specific agenda from which NGOs cannot afford to stray very far. Only a small amount of alternative, direct fund-raising is done by almost all of the European NGOs.

Furthermore, only very few of them have elaborated a coherent country programme designed for the OPTs, both because the latter do not in fact constitute a country in the full sense (the State of Palestine is as yet little more than a political and legal concept and in no way a sovereign entity) and because they are considered less than a priority target area. This is true to such extent that some countries simply cover their Palestinian programmes out of emergency budgets to deal with specific, extraordinary and unexpected situations.

For this set of reasons, there is no continuity in development plans and outlays, and rarely any meaningful evaluation or monitoring. The individual interventions themselves are usually poorly planned, in the NGO sector at least. This results from the low priority accorded the OPTs, and the resultant lack of preparation and knowledge of the area on the part of those involved.

Another serious problem in NGO activities in the OPTs is Government interference or at least influence, based on political rather than professional considerations, and without any mutual feedback or consultation between the parties. While some of the NGOs are staff with politically conscious and committed people, others are not, and the Governments certainly lack this characteristic.

The question then becomes: how do you operate in this environment? And more specifically, how do you plan without being supported by an overall programme?

The fact of the matter is that projects are often only aimed at sustaining the existing framework and thus reinforce the status quo. There is of course a creative aspect to NGO work, centered in the areas of guidance and technical assistance. But sometimes these too turn into negative factors, due to the personalization of contacts on the ground. Relationships and cooperation are sometimes based on friendship and lack professionalism.

Another closely related problem is that of political affiliation and sympathy, which can condition NGO work. On the other hand, this may also strengthen the NGOs' hand in lobbying back in the home country.

A number of NGO workers or representatives stay only short periods in the country, whereas a continuously changing environment would warrant more stability in terms of personnel. Since the outbreak of the intifadah, there have been considerable steps towards Palestinian self-determination, accompanied by a multiplication of Palestinian organizations on the ground.

These have limited experience and capabilities, and their proliferation has increased factionalization in the development sphere, and made it more difficult to achieve some sort of coordination. In a sense, therefore, evolutions in the development sphere have run counter to those in the political arena. All the while, the daily environment has been deteriorating due to the policies of the Israeli Government, which are hard to interpret as favourable to peace or even to development of any sort, including semi-dependent development.

Whereas it had promised confidence-building measures, it has resorted to mass deportations, increased settlements, strategic road constructions, the easing of open fire regulations, the resumption of house demolitions. All of this certainly conditioned the level of violence on the part of the Palestinians, and has in turn led to the sealing of the territories and their bantustanization (four or five sub-units: Gaza Strip, South West Bank, Jerusalem, North West Bank, Jericho).

Some of the main obstacles to development as perceived by NGOs:

- The denial of permits to and restriction of movement to European NGOs;
- The inequitable geographic distribution of funds, neglecting the northern and southern West Bank as well as the Gaza Strip;
- The financial dependency of NGOs on governmental foreign aid;
- The "grant mentality" which permeate the field, and leads to the funding of running costs and the building of local NGOs, rather than concrete development assistance;

- The internal "brain drain" to the international organizations (especially United Nations agencies);
- The instability of the general situation, with delayed results of the Gulf war being felt only now;
- Linked to the former point, and to the comments above, the excessive length of the peace process, and continued Israeli measures aimed against an increasingly frustrated population;
- The time-lag between needs assessment, approval of grants, and actual funding;
- Lack of involvement of European NGOs in the problems of refugees;
- The failure to deal seriously with gender issues.

Coordination efforts

Efforts to coordinate the work of international NGOs have resulted in the formation of the following:

(a) Association of International Volunteer Agencies (AIVA) (Jerusalem), which coordinates activities of its member agencies; its membership is open to non-governmental officials working or affiliated with groups working in relief, rehabilitation and development projects for the benefit of needy people, without regard for race, religion or creed;

(b) Coordinating Committee of International NGOs in the Occupied Territories (CCINGO) (Jerusalem), an ad hoc committee reflecting international NGO concerns about the status of development in the OPTs;

(c) European Coordinating Committee for NGOs on the Question of Palestine (ECCP) (Brussels), whose primary objectives are to draw attention to the urgent necessity of a just and equitable solution to the Israeli/Palestinian conflict based on Security Council resolutions 242 (1967) and 338 (1973); to publicize the situation of Palestinians living under occupation, including Israeli violations of international law and United Nations resolutions; to support the current Middle East peace process; to promote the work of European NGOs and lobby for their support by the European Commission, the United Nations and Governments; and to support the work of the Network of European NGOs in the Occupied Territories (NENGOOT);

(d) International Coordinating Committee for NGOs on the Question of Palestine (ICCP) (Geneva);

(e) Network of European NGOs in the Occupied Territories (NENGOOT), formed in early 1991 by people working for European NGOs and Europeans working with Palestinian NGOs in social and economic development, NENGOOT has three main aims: to promote effective coordination and cooperation among European NGOs and Palestinian organizations involved in social and economic development; to strengthen European commitment to sustainable independent Palestinian development in the occupied territories by monitoring the EC and European Governments' adherence to their stated goals of Palestinian political and economic self-determination; and to be a forum for exchange of information, skills, ideas and support between workers in the field.

Looking at these cells for coordination one might be tempted to state that things are well-organized, but unfortunately these bodies are united by only one fact - lack of funds.

It has to be stressed that most activists in these coordinating bodies are volunteers who on top of their normal duties in NGOs are also taking responsibilities as functionaries in these committees. After several years of activities all coordinating NGO bodies have exhausted their human and financial resources and are desperately seeking funds to link the first strings of coordination in a more professional manner and not to lose the positive momentum.

Looking forward to a positive development of the Middle East peace process as well as taking into account a failure it is inevitable to support coordination of development activities in the OPTs, apart from all existing constraints, the process for sustainable development will be a necessary requirement for any kind of solution-decreasing dependencies and guarantee any form of self-determination.

Conclusion - some recommendations

It is apparent that rules, which do not exist in general from the top down, must be created from bottom up. The following are proposed ways of beginning on this road, in a relevant and effective manner, through:

1. The adoption of an NGO development code of practice (DCOP), originally proposed at the ECCP-NENGOOT Brussels conference by the representative of an international organization, and adopted as a goal by more than one of the sectors represented there. A code of Practice would aim to set out basic principles on how development organizations should work with local partners. The focus would not be what donors should fund, but rather how they should work. If successfully promoted and adhered to, a DCOP could do much to reduce the current problems of development assistance funding. Furthermore, adoption of a DCOP should hardly be controversial as it represents generally agreed principles of development. In practice, a monitoring and reporting mechanism could be set up which should be a powerful advocacy tool for promoting these principles.

Elements of the development code of practice

Strategy

Donors should have explicit strategies for the sectors within which they work. These should be:
(i) written; (ii) available to the public; (iii) include specific objectives; (iv) include strategies for realizing these objectives.

Publishing and distributing the strategies of the various NGOs would: (i) expand the range of potential partners beyond a narrow circle; (ii) facilitate inter-agency cooperation and coordination; (iii) facilitate discussion with the community and between donors concerning development strategies.

Appraisal. For each project/activity, adequate resources should be allocated to appraisal, through dialogue with the local partner. Appraisal should include: definition of objectives, activity plan to achieve these objectives, management structure and job descriptions, time-line plan, in-service training needs and training objectives vis-à-vis skills needed, external technical assistance needs, monitoring plan, evacuation plan, documentation plan, financial projections, sustainability analysis (financial and operational), analysis of similar local initiatives.

Agreement. Agreements between donors and local partners should be in written form, specifying the obligations of both parties regarding the elements in the appraisal. Plans for monitoring, evaluation and joint review should be explicit. Contracts should be legally binding and accountability should be understood and practised.

Monitoring. During implementation, a system of monitoring performance and progress should be specified. Joint reviews should occur regularly through which plans of action may be modified. The results of monitoring should be fully documented for both management and evaluation purposes.

Evaluation. Activities should be evaluated against the objectives set out in the plan of action/appraisal. Evaluation methods should be planned in advance and should include monitoring data as well as final evaluation. The results should be documented.

Documentation. Planning documentation should form a component of every project, to record the various stages in the project as suggested. Although some aspects will remain confidential the major findings should be made public.

Strategy for DCOP Promotion: (a) Discuss and develop the ideas through consultations with development officers and local organizations; (b) Achieve a consensus on DCOP as a goal to be achieved; (c) Set up a DCOP promotion group which would help donors to adopt DCOP by training and joint planning; (d) The group would also regularly monitor DCOP implementation with participating donors through a simple checklist (appendix 1); (e) The information collected would, with consent, be published and distributed concerning: (i) donors' activities; (ii) major development findings.

2. The systematization of information exchange, through professional computerized and continuous inputs, dealing with the various areas and needs.

3. Increasing the number of European NGO representatives physically present (i.e. stationed) in the OPTs, both in order to improve the knowledge of local conditions while creating an institutional memory for the NGOs, and augmenting the passive protection of the Palestinians.

4. Further coordination process by allocating appropriate funding and organize well prepared conferences on the assistance to the Palestinian people on an annual base.

5. Clear definition of communication channels for all parties involved.

6. Creation of a growing "protected development space" in which we can operate together on the model of that proposed for Palestinian development.

7. Enrichment of the discussion of development coupled with a departure from some of the negative individualism which has sometimes characterized our institutional behaviour on both sides.

8. Creating the base for an overall intersectorial approach to development by qualified sector by sector analyses, better defining them and promoting their fruitful interaction. What is needed is an overall and mutually respected strategy, plan or vision of Palestinian development.

Some figures concerning NGO aid expenditures on the OPTs for the period 1991-1992 (as indicated by NGOs for the "Directory of European Non-Governmental Support to the OPTs" 1992, compiled and published by NENGOOT with the financial support of the United Nations Development Programme, Jerusalem).

The vast contributions of religious orders in the field of health, education and social services are not included and are still to be investigated to draw a more complete figure.

NGO BUDGETS FOR OCCUPIED TERRITORIES

Note: This list is not inclusive.
Totals are given for 1991-92 only. All figures have been converted to US$ and are shown in thousands.
Conversion in August 1992: $1 = DM 1.50, DFT 1.70, FrF 5.01, Llt 1.125, £0.53, NK 5,80, SF 1.40, SEK 5.50.

MULTISECTORAL

Country	NGO	91-92	90-91	92-93
Britain	SCF	1,207	836	1,017
France	Cimade	-	-	250
Germany	Misereor	77	-	-
Nthlns	ICCO	385	564	-
Norway	NCA	360	155	183
Sweden	Diakonia	4,720	-	1,910
Switzld	CFD	245	194	-
TOTAL		6,994		

COMMUNITY DEVELOPMENT

Country	NGO	91-92	90-91	92-93
Belgium	TWRF	18.9	3.1	51
Britain	UNAIS	-	-	51
Germany	Misereor	18	-	-
Nthlns	CICA	81.6	-	102
Nthlns	NOVIB	43	4.3	43
TOTAL		161.5		

HEALTH/REHABILITATION

Country	NGO	91-92	90-91	92-93
Austria	SAAR	500	50	900
Belg/Nthls	MSF	667	246	-
Belgium	TWRF	-	-	245.3
Britain	Chr Aid	-	350	-
Britain	OStJ	3,500	3,100	-
Britain	MAP	1,000	-	-
France	ERM	200	-	-
Germany	Misereor	338	-	-
Italy	CRIC	431.6	431.6	-
Italy	DiSvi	30	1,574.3	-
Italy	GVC	663.2	-	635.2
Italy	ReC	311.4	296.4	-
Germany	Mor	88	-	-
Nthlns	CICA	144.5	-	144.5
Nthlns	NOVIB	125	426	-
Nthlns	NRC	6,000	-	-
Norway	NAD	220	-	330
Switzld	CFD	67	-	-
TOTAL		14,285.7		

EDUCATION

Country	NGO	91-92	90-91	92-93
Austria	SAAR	-	229	440
Britain	UNAIS	34	-	17
France	ERM	230	-	-
France	PLGJ	-	-	33
Germany	Misereor	61	-	-
Italy	AICOS	40	-	-
Italy	ARCS	50	150	-
Italy	SCI	40	-	-
Nthlns	CICA	153	-	153
Nthlns	NOVIB	-	25	-
Sweden	SIRA	292	304.4	345.1
Switzld	CFD	111	-	-
TOTAL		1,011		

BUSINESS DEVELOPMENT				
Country	NGO	91-92	90-91	92-93
Italy	Terra Nuova	25	-	-

HUMANITARIAN AID				
Country	NGO	91-92	90-91	92-93
Britain	Chr Aid	-	85	-
Italy	Salaam	5,400		

HUMAN RIGHTS/LEGAL/INFORMATION				
Country	NGO	91-92	90-91	92-93
Britain	Chr Aid	-	28.5	-
Britain	UNAIS	51	68	-
Germany	Misereor	33	-	-
Italy	CRIC	46.7	-	-
Nthlns	CICA	96.9	-	110.5
Nthlns	NOVIB	368.3	368.3	243.3
TOTAL		595.9		

AGRICULTURE				
Country	NGO	91-92	90-91	92-93
Austria	SAAR	380	90	100
Belgium	TWRF	70.1	78.6	-
Britain	Chr Aid	-	42	-
Britain	UNAIS	17	-	-
France	VSF	-	-	50
Germany	Misereor	33	-	-
Italy	CIC	574.4	530.7	530.7
Italy	CISS	40	-	-
Nthlns	NOVIB	521.8	521.8	-
Spain	IEPALA	350	180	-
Switzld	CFD	66	-	-
TOTAL		2,052.3		

GLOSSARY OF ABBREVIATIONS FOUND IN THE TEXT

AFSC	American Friends Service Committee
APDH	Asociacion pro Derechos Humanos de España
AIVA	Ass. of International Voluntary Agencies
AMFP	Ass. Médicale Franco Palestinienne
ASS	Ass. Santé Sud
AICOS	Associazione per gli Interventi di Cooperazione allo Sviluppo
BASPH	Bethlehem Arab Society for the Physically Handicapped
BCDAR	Birzeit Cooperative for Development of Agricultural Resources
CSS	Centrale Sanitaire Suisse
CIC	Centro Internazionale Crocevia
CRIC	Centro Regionale di Intervento per la Cooperazione
CFD	Christlicher Friedensdienst
CBM	Christoffel Blindenmission
CICA	Commission on Interchurch Aid
CCFD	Comité Catholique Contre la Faim et pour la Développement
CD	Cooperation for Development
COCIS	Italian NGOs for International Development Cooperation
CISS	Cooperazione Internazionale Sud-Sud
CCINGO	Coordinating Committee of International NGOs
DISVI	Disarmo e Sviluppo
ECRC	Early Childhood Resource Centre
ECCP	European Coordinating Committee for NGOs on the Question of Palestine
ERM	Enfants Réfugiés du Monde
EMS	Evangelisches Missionswerk in Südwestdeutschland
EZE	Evangelische Zentralstelle für Entwicklungshilfe
PFWAC	Palestinian Federation of Women's Action Committees
FOS	Fonds voor Ontwikkelingssamenwerking
GCRL	Gaza Centre for Rights and Law
GCMHP	Gaza Community Mental Health Programme
GVC	Gruppo Volontariato Civile
ICCO	Interchurch Organisation for Development Cooperation
ICC	International Christian Committee
ICCP	International Coordinating Committee for NGOs on the Question of Palestine
IEPALA	Instituto de Estudios Politicos para America Latina y Africa
IPPHR	Israeli-Palestinian Physicians for Human Rights
JMCC	Jerusalem Media and Communications Centre
LWF	Lutheran World Federation
MAP	Medical Aid for Palestinians
MSF	Médecins Sans Frontières
MI	Medico International
MECC	Middle East Council of Churches
NECC	Near East Council of Churches
NOVIB	Netherlands Organisation for Development Cooperation
NENGOOT	Network of European NGOs in the Occupied Territories
NORAD	Norwegian Association of the Disabled
NCA	Norwegian Church Aid
NRC	Netherlands Red Cross Society
Nthlns	The Netherlands
OPT	Occupied Palestinian Territories
OHFOM	Oeuvres Hospitalières de l'Ordre de Malte
OSJ	Order of St. John
PARC	Palestine Agriculture Relief Committee
PHRIC	Palestine Human Rights Information Centre

PHG	Palestine Hydrology Group
PRCS	Palestine Red Crescent Society
PFS	Patients' Friends Society
PyC	Paz y Cooperación
PMP	Pontifical Mission for Palestine
ReC	Ricerca e Cooperazione
RCSI	Royal College of Surgeons Ireland
SCF	Save the Children Fund
SCI	Servizio Civile Internazionale
SAAR	Society for Austro-Arab Relations
SOIR	Swedish Organisation for Individual Relief
SIRA	Swedish International Relief Association
Switzld	Switzerland
TCU	Technical Consultation Unit, Birzeit University
TDH	Terre Des Hommes
TWRF	Third World Relief Fund
UAWC	Union of Agricultural Work Committees
UHCC	Union of Health Care Committees
UPMRC	Union of Palestinian Medical Relief Committees
UPHCC	Union of Popular Health Care Committees
UNICEF	United Nations Children's Fund
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UNIPAL	Universities Educational Fund for Palestinian Refugees
VSF	Vétérinaires Sans Frontières
YMCA	Young Men's Christian Association
YWCA	Young Women's Christian Association

Mr. Paul E. Hoffman (Germany)
Representative of the European Coordinating Committee for NGOs on the Question of Palestine

Palestinian development: A challenge for European NGO involvement and coordination

1. The current challenge: establishing the framework for ongoing NGO involvement in development

European non-governmental organizations (NGOs), some like my church organization and its predecessors, have been involved directly or indirectly in development in Palestine for over a century and a half. They increased their efforts and they increased in number over the last years, not least because of the needs which arose with the Palestinian refugee situation, the Israeli occupation and the intifadah. For the most part they work with Palestinian counterparts, in our case with the local Evangelical Lutheran Church. But in development we are engaged not just for the minority Christian community, but with the aim of assisting the Palestinian people as a whole and with overall Palestinian national development in mind.

Since the intifadah there has been an increase in the variety of development initiatives in various sectors launched or undertaken by foreign and by local Palestinian NGOs, some directly resulting from a desire to express solidarity with the Palestinian people, others with the hope of acting as a possible model for development which others could or should imitate.

What has been lacking thus far, however, has been the establishment of an agreed-upon overall framework for Palestinian national development in the various sectors. It can be argued that the continuing Israeli occupation of Palestinian territory has prevented the development of such an overall framework, either by the Palestinians in the occupied Palestinian territories (OPTs) themselves, or by the international community in cooperation with the Palestinian diaspora. But it can also be argued that the sheer variety of development initiatives by Palestinians and non-Palestinians alike, some with international or European Government support, many with quite divergent philosophies, ideas and methods, has in itself precluded the development of an overall agreed-upon framework for social, economic and educational development in the OPTs.

The present international political situation and the specific situation in and with respect to the OPTs demands, it seems to me, that an overall framework for Palestinian national development be set forth, within which NGO involvement, both Palestinian and international, will have its proper place.

It is obvious that it is not the NGOs themselves, nor any other State, nor some international body who should or can set such a framework. Let me call attention in this connection to the proceedings of the ECCP-NENGOOT Conference "Palestine: Development for Peace" (held in Brussels, from 28 September to 1 October 1992) which was held with the financial support of the Commission of the European Community. In the preface to the proceedings it is pointed out that at the Conference, "NGOs were asked by Palestinians to continue to demand the freedom to implement development strategies unhampered by the restrictions of the occupation authorities... Planning for development remains a matter for the Palestinians and not their European (or any other) partners" (p. viii). It is for the Palestinians themselves to take Palestinian development into their own hands as part of their natural right to political and economic self-determination.

But the international community as a whole, represented by the United Nations and its system of agencies and, among others, the European Community (EC) and the individual European Governments, can and should exercise their influence to ensure that the political framework for establishing overall Palestinian national development strategies in the various sectors and sub-sectors takes shape. We in the European Coordinating Committee for NGOs on the Question of Palestine (ECCP) network, therefore, welcomed the readiness of the Commission of the European Community to host and support the Brussels Conference and we welcome the initiative of the United Nations to convene, under the auspices of its Committee on the Exercise of the Inalienable Rights of the Palestinian People, this Seminar here in Paris. The Palestinian people has the basic human right to national existence and development. The international community must assure this right.

What is quite clear is that without an agreed-upon overall national Palestinian development framework within which NGO initiatives can find their proper innovative place and role, NGO involvement in Palestinian development can and will re-enforce the distortions and competition which inevitably arise from ad hoc and uncoordinated initiatives, and actually fragment Palestinian efforts at development.

It is my view, on the other hand, that an agreed-upon Palestinian national development framework should provide for an ongoing and constructive role for NGO activity and initiative, Palestinian and international. Only if such a framework allows for and indeed promotes a variety of approaches to social, economic and educational development will it be possible, in my view, to harness the needed human and financial resources to encourage, sustain and accelerate the development which is needed. NGOs, both Palestinian and foreign, must be able to see and define their specific role within a broadly agreed-upon Palestinian national development framework. Articulating that framework has the highest priority.

2. The necessity for consultation and coordination.

In the articulation and refining of Palestinian national development plans in the various sectors there not only needs to be an agreed-upon body to give a preliminary framework for development in those sectors. There ought to be a process of consultation whereby broad sections of the community and NGOs working in those fields are consulted for their experience and opinion. Such an open and participatory process will in itself hasten the development process. It will easily identify where many of the problems in development lie. In such a process a preliminary framework can also be amended and refined. A process of consultation must be set in motion and sustained, involving also Palestinian and international NGOs working on the ground.

Let me give an example from the sector and sub-sector with which the Berliner Missionswerk is at the moment especially concerned. At Talitha Kumi, the Lutheran school centre above Beit Jala near Bethlehem, work is in progress on plans for introducing vocational training in the school in the field of tourism. Vocational training in this field must therefore relate both to the educational and the economic sectors, in the latter sector to the sub-sector on tourism. The content and method of training must meed the needs of the tourism industry, and we are trying to place it in such a way within the life of the school that vocational training will become an attractive alternative to post-Tawjihi academic professions. We are hopeful that what we have in mind fits into some agreed-upon overall development plan for the tourism field, just as we feel sure that some overall development plan for the tourism field will be open for initiatives and innovations by which, we believe, that school can make an effective contribution to Palestinian development and perhaps provide in a modest way an educational model for others to follow. A consultative process has begun by which we not only hope to avoid duplication and competition, but assure also coordination of effort with existing vocational training in the field of tourism for East Jerusalem and the Bethlehem area.

But Palestinian national development plans have not yet been widely disseminated, discussed critically or received with broad support. For the various development sectors and sub-sectors there is much need for intra-sectoral and inter-sectoral consultation within the OPTs which hopefully will lead to an agreed-upon answer to the questions: Where do the priorities lie? Who should do what? Out of consultation should arise coordination of effort.

At the Brussels Conference, it was said that, in addition to consultation and coordination, "an ongoing process of collective, reciprocal monitoring (of Palestinian development and development projects) is underway, and has been accepted as essential" (p. viii). But such monitoring, as well as consultation and follow-up coordination takes time, effort and resources. And if this, as is necessary, should involve international bodies, Palestinian entities and the variety of Palestinian and other NGOs, without which fragmentation of effort is foreordained, it is a costly but necessary endeavour.

Here it seems to me is, at least for the short and middle-term, a role for EC and for individual European Governments and NGOs. In the long term it is a role for a future Palestinian Government to assume, which through raising of and control over taxation and budget and through international cooperation must assure the long-term funding of the national development of Palestine. In the meantime, Europe could and perhaps should play here a major and constructive role, in formal consultation and coordination with Palestinians within and outside the OPTs.

Obviously, the consultative process that has already begun (NENGOOT Conference, Jerusalem, July 1991; EC-ECCP-NENGOOT Conference, Brussels, September 1992; and this Seminar) must be continued and adequately funded.

(a) Such a process needs a system of ongoing exchange of information on all aspects of development and on the political and economic problems of development in the transition from occupation to self-determination.

(b) There should also be follow-up consultations on the European national and regional levels concerning the various development sectors and sub-sectors, in order to identify areas for review of and possible increase in EC, Government and NGO involvement in Palestinian development, but always in close consultation and cooperation with pertinent United Nations agencies and Palestinian political and NGO counterparts.

3. The role of ECCP.

ECCP is the European regional coordinating body for some 300 NGOs cooperating since 1986 with the United Nations' Division for Palestinian Rights and with the Committee on the Exercise of the Inalienable Rights of the Palestinian People. ECCP's members include organizations involved in political campaigning in Europe and others concerned with development projects in the OPTs.

Since August 1991, ECCP has undertaken to refine ECCP's relationships with European governmental organizations through closer contact. To this end a decision was made to open our own office in Brussels to be at the heart of the EC political, administrative and development aid decision-making process. In March 1992 a set of statutes were signed by the founder members and, under Belgian law, we have been recognized as "The European Association for Non-Governmental Organizations on the Question of Palestine". As a consequence we have the right to apply for EC funding.

After a series of meetings with officials of the European Commission and in cooperation with the Network of European NGOs in the Occupied Territories, ECCP, with the financial support of the Commission of the European Community, was able to convene the Brussels Conference on "Palestine: Development for Peace", last September, which has already been mentioned several times at this Seminar. In our view, this Conference was a decided success. What is needed, however, is a follow-up process of consultation and coordination:

(a) Sector-by-sector, as the need arises, in the OPTs themselves;

(b) Organized, focused information exchange within the OPTs and between the OPTs and Europe;

(c) European regional and national consultations on Palestinian development and coordination, in some cases also sector-wise.

One place for such a national consultation in Europe on Palestinian development and the role of NGOs should be Germany where I am working.

All this in cooperation, it is understood, with Palestinians within and outside the OPTs and with European NGOs in the OPTs. It is our hope that a clear picture of such follow-up consultation and coordination will come into focus at, and as a result of, this Seminar.

ECCP stands ready to help in the organization of such follow-up, in the conviction that this process will promote a just and lasting settlement, consistent with United Nations principles, to the question of Palestine.

Mr. Muath Al-Nabulsi (Palestinian)
Palestinian Chamber of Commerce, Nablus, West Bank

The Role of the Chamber of Commerce

Introduction

The chambers of commerce and industry in the occupied territories were founded before the occupation in 1967. There is a chamber of commerce and industry in each city of the occupied territories. These institutions represent the commercial and the industrial sectors of the territories. The effectiveness of these chambers depend upon the policies of the Israeli Occupying Authorities towards industry and trade. The main goals of these chambers are:

1. To organize the commercial as well as the industrial interests in the city and to represent the interests of the industrialists and merchants in front of all concerned parties inside and outside the country, and to defend their interests in various issues especially in terms of taxation, customs and all other related issues which they face by the occupier which has been applying a policy to hinder rather than to develop the Palestinian economy;

2. Build relationships with local and foreign chambers of commerce and exchange commercial guides and information;

3. Enhance the development of local industry and the establishment of industrial zones and cities and equip them with all their needs;

4. Enhance the exports of local products and issue certificates of origin needed for goods exported;

5. Do the commercial publicity and issue the periodicals and pamphlets, and;

6. Solve commercial disputes which might arise.

Services rendered by the chambers of commerce

The following are the main services rendered by these chambers:

1. Certifying all different commercial activities i.e.: membership certificates, professional practice certificates, certificates of origin, commercial guarantees, financial certificates, endorsement of transactions, photocopies of certificates, translations, and other needed certificates;

2. Conducting training courses to different economic sectors;

3. Preparing the exhibitions and commercial markets and promoting in the foreign exhibitions;

4. Conducting seminars and group economic meetings in the chamber's economic forum;

5. Offering legal, financial and economic counseling for the members;

6. Preparing feasibility studies for potential projects.

Issues and Problems

While striving to achieve their goals to provide better services to the commercial and industrial sector of the territories, the chambers of commerce and industry face several obstacles. The manufacturing sector lacks the infrastructure to provide an impetus for growth. Conditions have not changed for the better after the Israeli occupation. Israeli policies and practices have been to hinder rather than to develop any economic sector of the occupied territories. Israeli officials did not deny their intention to do so. The ex-defense Minister of Israel, Yitzhak Rabin was quoted on February 16, 1985 as saying: "There will be no development in the territories initiated by the Israeli Government, and no permits will be given for expanding agriculture or industry there which will compete with the State of Israel".

This policy led to the fact that the industrial sector like other sectors of the Palestinian economy became stagnant, distorted and unbalanced.

Not only was there a denial to grant permits to expand agriculture and industry, but in spite of collecting high amounts of taxes and customs duties, fees and fines and using cruel, inhumane means for the collection of arbitrary sums, the Israeli Prime Minister was quoted as saying:

"Israel will not substitute Jordan in providing services to the West Bank".

The new Israeli policy of issuing permits to establish factories in the territories is also inconsistent with the old policy of hindering rather than developing the Palestinian economic growth. The new policy is to give several permits to establish the same factories in the same area in order to let these new factories compete with each other in the very small market and as a result to destroy each other.

The restrictions on the movement of people and vehicles, the problems of using old vehicles to pass into Jordan and the conditions that each vehicle has to stop between three to seven days when returning back for inspection made the cost of transportation very high. The cost of a carload to Amman is about $600 and it rises to about $1200 in the citrus season, while the transportation cost of a container from Italy to Haifa port is about $900. A very limited number of vehicles are allowed to carry goods to Jordan, and they are very old, and it is not allowed to replace them. More over, many other problems and obstacles facing the Palestinian economy as a result of the policies of Israeli Occupying Authorities such as the excessive burden of taxation, restrictions of imports and exports, the absence of a viable banking system, the denial of being agents to international companies because the international companies refuse to appoint Palestinian agents and appoint only Israeli agents. This has forced the Palestinian industry into linkage with the Israeli one in terms of the machines, maintenance, and other commercial activities.

Several other obstacles also have been put in the way of the trade sector which has led to a chronic deficit in the balance of trade with Israel. The difficulty to export the Palestinian produce has been due to the transit procedures adopted. Only those manufacturing firms which were operating before the Israeli occupation of the West Bank are able to export, in addition to any new factory which could prove that its products are of Arabic origin. Conditions for exports according to GSP provide that the Palestinian value added inputs should not be less than 60 per cent of the product's value.

Mr. Yousef Mahmoud Najem (Palestinian)
Palestinian Chamber of Commerce, Gaza Strip

I should like very much to express my deepest gratitude to every international body that helped me come to you today carrying mixed feelings of an unprecedented nature. I come today from Gaza while my town is still sealed and cut off from the rest of the world. On the other hand, joining this Seminar on the inalienable rights of my people tells me clearly that my people is not stranded in the middle of nowhere, but on the contrary, we have sincere good friends everywhere.

Dear friends, since the beginning of the Israeli occupation of the West Bank and Gaza Strip in 1967, Israeli authorities exercised certain economic policies that aimed at linking the occupied Palestinian territory (OPT) to the Israeli economy. Within this context, the Israeli authorities applied several procedures:

1. Israel exploited the severe condition of Palestinian unemployment by absorbing the cheap Palestinian labour in the various productive sectors such as agriculture and construction. Palestinian workers had no alternative, given the tight economic conditions, especially in the Gaza Strip. The number of Gazan workers increased drastically until it reached 70,000 to 80,000 workers at the outbreak of the intifadah. Such a number constitutes two-thirds of the total labour force;

2. In defiance of the Fourth Geneva Convention, Israel changed the prevailing 1967 conditions and issued more than 1,000 military orders in all the different aspects of life. Consequently, these military orders prevented the building up of the Palestinian industrial structure. On the other hand, the authority encouraged the setting up of small-scale factories and workshops on a sub-contracting basis, especially in the clothing industry;

3. As for marketing, a growing percentage of Israeli exports is being marketed in the OPT. The OPT is the second largest market for Israeli commodities after the United States. OPT imports 90 per cent of its total imports from Israel, while the Israeli markets are closed to the Palestinian exporter;

4. In agriculture, which is the traditional economic activity, citrus farmers confront unfavourable, depressing circumstances such as regulations limiting water quantities allowed for irrigation. Other rules prevent the planting of new trees, and whoever survives will face constraints on exports. All this and many other practices led to the reduction of the citrus grown area by 50 per cent;

5. Palestinian production lacks any sort of subsidy while Israeli production is subject to different types of subsidy either directly or indirectly. These differential policies earned the Israeli products a competitive advantage over their Palestinian counterparts.

The final aggregate outcome of such policies and regulations is the full linkage of the Palestinian economy to the Israeli economic wheel. The Palestinian economy is now allowed to function only in a way that serves the Israeli needs and plans and consequently hampers the ability of the national capital to mobilize national potentials. The obstacles confronting the Palestinian private sector are numerous and some of them are:

1. Legal obstacles: New enterprises find it difficult to start business. Palestinian businessmen have to wait months and even years to obtain new business licenses. Sometimes the waiting ends up nowhere. Those who are lucky and successful in getting their license are often subjected to arbitrary tax estimates and unjustified methods of tax collection;

2. Financial obstacles: Due to the lack of an effectively functioning credit organization and a paralyzed banking system, the domestic economy of the OPT is badly in need of financial facilities demanded by the private sector. Hence most enterprises are either personal or family-oriented. As a matter of fact private capital exceeds 94 per cent of gross investment;

3. Procedural obstacles: To name just a few, a businessman has to issue several permits in order to move out of the area. Those permits are curfew cards, magnetic cards, identity cards, an entry-to-the-green-line-area card of limited duration, a government card, an UNRWA card, a profession card, an exit card, etc. Needless to say, this is time consuming and depressing;

4. Lacking access to information: Businessmen and local merchants are kept in the dark. They are cut off from the real movement of foreign markets and from the new technologies emerging everyday;

5. Political obstacles, such as politically-based procedures, namely the sealing off of the OPT, imposing curfews for long periods, communal comprehensive punishment systems, and many others. Such obstacles enhance profound fears of dramatically increasing risk.

Nevertheless, the private sector provided around 25,000 local employment opportunities in the various sectors ranging from agriculture, industry, commerce, services, depending only on domestic potentials and experience.

Now the question is "What role can the private sector play for the advancement of 'OPT'?" And similarly, "What role can the non-governmental organizations (NGOs) and the United Nations play in assisting the private sector quantitatively and qualitatively?"

Before answering this question from our point of view, we, the Palestinians, draw the world's attention to the fact that developing the private sector cannot be ensured in the absence of a legal framework. Such a framework is necessary to protect development and provide the legal umbrella. Needless to say that occupation is not capable of providing such protection. This can be easily verified from the decision of the Israeli authority to seal off the Gaza Strip for an unlimited duration, bringing down all development efforts and damaging all private sector investments.

Nevertheless, so much can be done that will pave the road and lay the foundation for serious plans to develop the private sector. To mention a few major steps:

1. It is of the utmost importance that all military orders, laws, regulations and procedures hampering investment should be cancelled. Such a step will encourage the private sector to have more initiative;

2. Building up our national institutions in the various financial, consultative, marketing and administrative aspects. Such an institutional structure will properly foster a newly, freely functioning private sector.

Moreover, and within this context, and as a representative of the Palestinian Chamber of Commerce for the Gaza Strip, I strongly urge all international organizations and all NGOs to extend all types of support, both technical and financial, to assist in mobilizing the Chamber to function as a link between local businessmen and the business sector abroad, in addition to its basic role in guiding investors and merchants.

I can give here a configuration of what type of assistance programmes we would like to receive.

First, a programme of technical assistance to different industries. This includes:

(a) Preparation of feasibility studies;
(b) Making available business information;
(c) Technical training programmes for various sectors;
(d) Setting up required regulations with regard to commodity specification and quality control.

Second, a programme of administrative enhancement. This includes:

(a) Preparation of export and marketing programmes;
(b) Setting up of both a local marketing and export committee for every sub-sector;
(c) Planning and setting up specialized domestic exhibitions.

Third, a programme of mass communication:

(a) Preparation of documentary films about various industrial sub-sectors;
(b) Participation in all regional and international exhibitions and conferences of special interest to our Chamber;
(c) Publication of various periodicals, circulars and brochures.

3. Developing the human resources working in both the Chamber and the developmental bodies. Human working power should receive more attention in the different fields of consultations, marketing, project management and foreign trade affairs.

4. Arranging regular meetings and mutual visits between Palestinian businessmen and their European counterparts. In this way local businessmen will benefit quite well by having access to foreign markets and foreign expertise.

These are some practical suggestions we believe can help us in accomplishing them. These suggestions are small and modest steps but necessary to put us on the beginning of the road, out of the economic deadlock we are bitterly experiencing.

III. CONCLUDING POINTS

Participants commended the Committee on the Exercise of the Inalienable Rights of the Palestinian People for convening the Seminar on Assistance to the Palestinian people at a time of great importance for their future. They expressed their firm desire to make a concrete and useful contribution to helping the Palestinian people exercise its right to self-determination and development and to achieve a just peace. They considered that the wide and constructive participation in the Seminar by Governments, United Nations system organizations and agencies, intergovernmental and non-governmental organizations and agencies, had greatly contributed to its success.

It was felt that the Seminar had been useful in identifying the nature and extent of existing assistance programmes. Appreciation was expressed for the efforts already made by Governments, intergovernmental and regional organizations, United Nations system organizations and agencies as well as NGOs in this regard, and for their readiness to continue and increase their financial and technical assistance in the fields of emergency, relief and development programmes.

It was also felt that the Seminar had been useful for discussing the current and future needs of the Palestinian people, as articulated by the Palestinian representatives themselves, and for highlighting the importance of continued and increased assistance to the Palestinian people by the international community as a whole. Appreciation was expressed for the opportunity offered by the Seminar for a candid and constructive analysis of the experience of various donors and United Nations system organizations and agencies and of the problems encountered on the ground.

Deliberations showed a growing expectation by the international community that a threshold had been reached in the long history of the Palestine question, and that the Palestinian people would soon be able to take charge of its own future and to exercise its economic, as well as political decision-making. Participants were of the view that a comprehensive Palestinian national development plan would be a major factor in achieving the independent development of the Palestinian people. They felt the need for undertaking coordination between various donors and United Nations system organizations and agencies, and the Palestinian central authority. In this connection they welcomed the introduction of the Palestine Development Programme prepared by the Department of Economic Affairs and Planning of the PLO and the explanations given about it.

Serious concern was expressed about the grave and deteriorating economic and social situation in the occupied Palestinian territory in consequence of recent developments. Participants underlined that Israeli policies were principally responsible for the current situation. Israel, the occupying Power, had an obligation to respect the provisions of the Fourth Geneva Convention, Security Council resolutions, and international human rights instruments which it had ratified.

It was pointed out that the Israeli economic policy towards the occupied Palestinian territory had resulted in its underdevelopment and dependence on the Israeli economy. It was also stated that Israel had used its control over the occupied territory to prevent, or put obstacles in the way of, assistance projects aimed at promoting the independent development of the Palestinian people.

Participants called on the international community as a whole to press Israel to lift the current siege in the occupied territory; to remove all barriers to development; and to permit the free operation on the ground of United Nations system organizations and agencies, and others delivering assistance to the Palestinian people.

Participants were of the view that the international assistance programmes would be enhanced by greater and more effective coordination among United Nations system organizations and agencies and between them and other donors, and by elaboration of an overall strategy framework to guide their work.

Participants discussed various courses of action that should be followed by the international community in order to make its contribution more effective. The view was expressed that international assistance should be targeted and delivered so as to meet Palestinian priorities, and to help loosen the grip of the occupation and to promote the independent development of the Palestinian people. It was noted with appreciation that certain Governments and organizations had been successful in delivering their assistance outside of Israeli control.

The Seminar participants noted the experience of various organizations in the area of coordination and suggestions as to possible mechanisms made by speakers. There was general agreement that this question needed urgently to be discussed further at an appropriate level by all concerned in order to develop ways of using the limited resources of the international community as efficiently as possible. The Committee was therefore asked to recommend to the United Nations Secretary-General to convene a meeting of representatives of United Nations system organizations and agencies, together with PLO officials, to consider appropriate mechanisms to coordinate and channel assistance, and to decide on priorities.

Participants called for urgent action by the international community to meet the emergency needs of the Palestinian people living under occupation and identified a number of specific areas requiring such action, particularly in the Gaza Strip, as the current grave conditions threatened to exacerbate tension and violence in the area.

It was also stressed that significant assistance projects that could help promote Palestinian development could and should be undertaken immediately, particularly in areas relating to development of production, employment generation, and training, in light of the strategies and priorities established in the PDP as explained in the course of the seminar. A call was made for increased assistance by the international community in order to enable the Palestinian people to achieve self-determination and self-reliance and thereby promote a just peace in the region."

IV. CONCLUDING STATEMENT

H.E. Mr. Kéba Birane Cissé, Chairman of the
Committee on the Exercise of the Inalienable Rights of the Palestinian People

We have come to Paris united by great concern for the region of the world which has often been described as irrational, chaotic or erratic, and always dangerously volatile, and for the Palestinian people which has for forty-odd years endured so many sufferings. As decades go by, young Palestinians are growing up in conditions of disposession and lack of hope for a brighter future.

The Committee on the Exercise of the Inalienable Rights of the Palestinian People of the United Nations, which I have the honour to represent here, in adopting its programme of work for the current year, reaffirmed that the United Nations has a duty and responsibility to render all assistance necessary to promote the social and economic development of the occupied Palestinian territory in preparation for the full exercise of national sovereignty. The Committee also reiterated its call upon the United Nations family of organizations and the international community as a whole to sustain and increase their assistance to the Palestinian people. Mindful of the importance of this issue and of the need to increase its own efforts to promote international action, and in response to General Assembly resolution 47/170, our Committee decided to hold this Seminar. I would like to add that the question of the economic situation of the Palestinian people and the need for international assistance to promote the independent social and economic development of the occupied territory is a priority issue in the work programme of the Committee.

The four days of deliberations are over. It gives me pleasure to say that they were marked by a clear understanding of and commitment to the purpose of this event, the spirit of sincerity, cooperation, compromise, and the need to move forward to achieve tangible results. During our meetings, certain elements of the discussion came into focus. The panelists were in agreement as to the multitude and magnitude of the socio-economic problems, the Palestinian people under occupation has to cope with in order to survive, develop, bear and bring up children, and preserve their rich cultural heritage. Much has been said about the violation by the occupying Power of the inalienable rights of the Palestinians and the need for protection of the Palestinian population in this regard. On a broader scale, the Seminar dealt with the international political climate affecting the region of the Middle East, and the pace and potential of the Arab-Israeli negotiations launched in 1991 at Madrid. For its part, the Committee on the Exercise of the Inalienable Rights of the Palestinian People has welcomed the peace negotiations, as well as the fact that they are based on Security Council resolutions 242 (1967) and 338 (1973), and the principle of land for peace. Although we are disappointed by the lack of progress thus far, the Committee is hopeful that the process will gain momentum and that the parties to the negotiations will demonstrate seriousness of intent, political maturity, diplomatic wisdom and skill. Reason and common sense must prevail to enable the parties to achieve the long-awaited and so often alluded to comprehensive, just and lasting peace in the Middle East.

While the bilateral and multilateral peace efforts proceed, however, our Committee will continue to do its utmost to bring to the attention of the world community the continued dispossession and suffering of the Palestinian people, which has now lived under occupation for a quarter of a century. The issue of assistance to the Palestinian people, that we have been discussing here, and the restoration of the fundamental human rights of the Palestinians cannot be separated. They should go hand in hand. The Committee is also convinced that an international action in this regard would improve the general situation, facilitate the process, as well as the constructive dialogue and reconciliation between the parties.

Before concluding, I would like to express gratitude of the Committee for the invaluable contribution to this Seminar by all the participants, their readiness to be part of this international effort, their insight, expertise, and ideas. We all know that there is a circuitous and, most likely, bumpy way to go before we find a solution to the question of Palestine. And although it is not easy to remain optimistic after so many frustrating years, this Seminar has demonstrated that the international community is on the right track in trying to find effective ways to improve the living conditions of the Palestinian people under occupation, and create an atmosphere conducive to the successful outcome of the negotiating process.

On behalf of the Committee, allow me once again to express our gratitude to the Director-General of the United Nations Educational, Scientific and Cultural Organization for his participation in this event. I would also like to thank the staff of the UNESCO Secretariat, the Division for Palestinian Rights of the United Nations Secretariat, and to the staff of the United Nations Office at Geneva for all their dedicated assistance. Their work has contributed greatly to the smooth way in which the Seminar has been conducted.

I declare closed the United Nations Seminar on Assistance to the Palestinian People.

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